IMPLEMENTATION OF THE WATER RESOURCES DEVELOPMENT ACT OF 1986, THE ADMINISTRATION'S PROPOSED WATER RESOURCES DEVELOPMENT LEGISLATION, AND PROPOSED WATER RESOURCES PROJECTS WHICH HAVE RECEIVED A FAVORABLE REPORT OF THE CHIEF OF ENGINEERS

(100-75)

HEARING

BEFORE THE

SUBCOMMITTEE ON WATER RESOURCES

OF THE

COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

SECOND SESSION

JUNE 16, 1988

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THURSDAY, JUNE 16, 1988

House of Representatives,
Subcommittee on Water Resources,
Committee on Public Works and Transportation,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:23 a.m., in room 2167, Rayburn House Office Building, Hon. Henry J. Nowak [chairman of the subcommittee] presiding.

Mr. Nowak. The subcommittee will come to order. We welcome everyone here this morning.

This morning the subcommittee meets to receive testimony concerning the implementation of the Water Resources Development Act of 1986, the Administration's proposed water resources development legislation and proposed water resources projects which have received a favorable report of the Chief of Engineers.

With us today are Robert W. Page, Assistant Secretary of the Army for Civil Works; John Doyle, Principal Deputy Assistant Secretary of the Army for Civil Works; Major General Thomas A. Sands, Acting Director of Civil Works; and Dr. Bory Steinberg, Chief, Policy Review and Initiatives Division.

The Water Resources Development Act of 1986, Public Law 99-662, was the first water resources development legislation in a decade. It authorized the construction, modification or study of projects for general navigation, inland navigation, flood control, shoreline protection and water resources conservation and development. The law ended a stalemate which had developed between the Congress and the President over what should be done or what should be the appropriate Federal and non-Federal role in developing new water resource projects. The agreement which was reached was that the Federal participation in water resources development projects would continue as demonstrated by the authorization of nearly 300 projects, and that non-Federal sponsors would contribute a larger share of the construction costs of these projects through expanded cost-sharing requirements.

The law also includes many provisions related to the operation of the Corps' program such as defining factors to be considered in formulating and evaluating water resources projects and assuring that fish and wildlife mitigation measures are undertaken as a project is commenced. Assistant Secretary Page will address the implementation of the act.

On February 11, 1988, the Department of the Army submitted proposed legislation for water resources development. The proposal would authorize four new projects for construction and contains other provisions related to the Department of Army Civil Works program.

The testimony will describe the provisions contained in the legislative proposal of the Administration. The testimony will also describe water resources projects which have received a favorable report from the Chief of Engineers. The Corps of Engineers study process consists of an initial reconnaissance study to determine the likelihood of a viable project. If the need for a full study is indicated, a full feasibility is completed by the district engineer. His recommendations are reviewed by the division engineer, the Board of Engineers for Rivers and Harbors, and the Chief of Engineers. The Chief of Engineers' final report is prepared after opportunity for comment by affected States and interested Federal agencies. Project authorizations are usually in accordance with the final report of the Chief of Engineers. The testimony will describe each of those projects which have received a final report.

Before we begin the testimony, I would like to yield at this time to my distinguished colleague from Minnesota, the ranking minority member of the subcommittee, Arlan Stangeland, for whatever opening remarks he wishes to make at this time. Mr. Stangeland?

Mr. STANGELAND. Thank you, Mr. Chairman. I want to commend you for your leadership in holding this most important hearing on the Corps' implementation of the Water Resources Development Act of 1986 and the proposed legislation for this year.

Also, I want to welcome our distinguished witness and guests. Since coming on board, I think Secretary Page has done an outstanding job in learning the program and initiating reforms. I'm sure much of this is attributable to John Doyle who worked on the committee here for several years and probably knows the details and the intent of the 1986 law better than anyone.

Mr. Chairman, the Water Resources Development Act of 1986 was one of the most important and far-reaching water resources omnibus bills in history.

Today this subcommittee will focus on the Corps' effort to implement these reforms. First, we will be looking at the Corps' cost-sharing and project financing policies and procedures.

Second, we will be looking at the Corps' basic areas of responsibility. While recognizing flood control and navigation should have overall priority in the Corps' agenda, we also see the need to continue vital activities involving recreational benefits, water supply benefits, and water quality benefits.

Third, we'll be interested in the Corps' basic methods of doing business, such as their efforts to streamline lengthy procedures for studying and approving projects and permits.

In addition, we will turn our attention to the Administration's proposed omnibus water resources bill for this Congress. I understand its purpose is to reestablish the regular two-year authorization cycle while continuing the cost-sharing and programmatic reforms of the 1986 act. I believe I speak for the leadership of this committee when I say we too would like to reestablish the two-year cycle and follow the basic reforms of the 1986 law.

I look forward to the Corps' discussion of this legislation and the recently passed bill in the Senate, S. 2100. After this dialogue, I believe the subcommittee would be in a good position to move forward rapidly with an omnibus bill out of this subcommittee and the full committee in the coming weeks.

Mr. Chairman, I would ask unanimous consent that the full text of my opening statement be made a part of the record.

Thank you, Mr. Chairman.

Mr. NOWAK. Without objection it will be put in the record in its totality.

Thank you, Mr. Stangeland.

[Mr. Stangeland's prepared statement follows:]

PREPARED STATEMENT OF HON. ARLAN STANGELAND

Thank you, Mr. Chairman. I want to commend you for your leadership in holding this most important hearing on the Corps of Engineers' implementation of the Water Resources Development Act of 1986 and on their proposed legislation for this year. Also, from the outset, I want to welcome our distinguished witness and guests. Since coming on board, Secretary Page has done a good job learning the program and initiating reforms. I am sure much of this is attributable to John Doyle, who worked on this committee for several years and probably knows the details and intent of the 1986 law better than anyone.

Mr. Chairman, the Water Resources Development Act of 1986 was one of the most important and far-reaching water resources omnibus bills in history. This new mandate for the corps authorized 262 new projects, 31 studies, 71 project modifications, and 63 other miscellaneous projects and programs. It provided major changes to policies and programs, including crucial changes to Federal and non-Federal cost sharing. In effect, the law broke a 16 year log jam of pending water projects and got the corps back in the business of developing and managing the Nation's water resources. At the same time, it initiated many reforms in project planning, financing, and implementation.

Today, this subcommittee will focus on the corps' efforts to implement these reforms. We want to make sure the corps offers the wisest possible management and stewardship of the Nation's water resources. In doing so, we will focus on three basic areas. First, we will be looking at the corps' cost sharing and project financing policies and procedures. We must insure that non-Federal sponsors are true partners in the planning and development of projects.

Second, we will be looking at the corps' basic areas of responsibility. While recognizing flood control and navigation should have overall priority in the corps' agenda, we also see the need to continue vital activities involving recreational benefits, water supply benefits, and also water quality benefits. Third, we will be interested in the corps' basic methods of doing business, such as their efforts to streamline lengthy procedures for studying and approving projects and permits, and their willingness to involve project sponsors in agency decision making.

In addition, we will turn our attention to the administration's proposed omnibus water resources bill for this Congress. I understand its purpose is to reestablish the regular two year authorization cycle, while continuing the cost sharing and programmatic reforms of the 1986 act. I believe I speak for the leadership of this committee when I say we, too, would like to reestablish the two year cycle and follow the basic reforms of the 1986 law.

This hearing should be instrumental in accomplishing that objective and passing a modest, yet responsive water resources bill. I look forward to the corps' discussion of its legislation and the recently passed bill in the Senate, S. 2100. I also expect many questions from members of this committee involving the corps' basic programs, as well as particular activities in certain areas of the country. After this dialogue, the subcommittee should be in a good position to move forward with an omnibus bill in the coming weeks.

With that Mr. Chairman, let me close so we can begin to receive testimony as soon as possible.

Mr. **Petri**. Mr. Chairman, I just would like to make a very brief opening statement and ask that a full statement be included in the record.

Mr. **Nowak**. Without objection.

[Mr. Petri's prepared statement follows:]

PREPARED STATEMENT OF HON. THOMAS E. PETRI

Thank you, Mr. Chairman. I am pleased that we are holding this hearing in preparation for the 100th Congress water projects bill. It's good to see that the 1986 omnibus authorization bill put the authorization schedule back on track.

When efforts began to implement non-federal cost sharing reforms, it was hoped that the ten-year log jam of water projects bills could be broken and that orderly procedures for authorizing projects could be implemented. I expect that that is what we will accomplish this year.

I hope that my colleagues on the subcommittee will agree to include a deauthorization for a project in my district, the Fox River lock and dam system. I would like to see the deauthorization take place in Fiscal Year 1992, with some maintenance funds spent in the intervening years to repair the worst of the deterioration of the locks system before it is turned over to the state. I expect the total extra maintenance funding to be $3.3 million. My colleagues may recall that a similar arrangement was made in case of the Kentucky River some years back, although the funds spent were much greater.

Again, I am pleased that we are on track for a 100th Congress authorization bill and I look forward to working with the subcommittee on crafting a bill that maintains the vital reforms of 1986 while providing for those badly needed Corps of Engineers projects around the country.

Thank you, Mr. Chairman.

Mr. **Petri**. I am particularly interested in hearing the testimony from the witnesses and any other information they have to provide as we move along.

One of the innovations in the act—and that was the addition of cost-sharing criteria—this was a very hotly debated, controversial thing. I happen to be a strong advocate of it. Now, we have some experience with it, and it would be interesting to see if it has worked or not, if it has enabled us to get more bang for the buck, so to speak, and go forward with more projects in a more cost effective and beneficial way, or if it has just ended up tying things up with paperwork. Also, now that we have a little experience with this in actual operation, what suggestions for improvement or modification do the people who are responsible for administering it have? I think that would be very helpful for us as we move down the road and try to perfect this new policy innovation.

Thank you, Mr. Chairman.

Mr. **Nowak**. Thank you, Mr. Petri.

The other members will waive opening statements and remarks, and we'll put all of them in the record.

[The prepared statements of Mr. Hammerschmidt, Mr. Foglietta and Mrs. Bentley follow:]

PREPARED STATEMENT OF HON. JOHN PAUL HAMMERSCHMIDT

Thank you Mr. Chairman. I am very pleased that the committee has convened today's hearing on the civil works program of the U.S. Army Corps of Engineers.

As you know, the corps is the lead Federal agency with respect to development of the Nation's water resources. The corps' budget is over three times the size of the budget of the Department of the Interior's Bureau of Reclamation. It covers virtually all aspects of water resources development in all 50 States, as well as in U.S. territories and abroad. With over a hundred and fifty years of experience in the area, the corps has developed an outstanding reputation for professionalism and engineering expertise.

Projects built by the corps have returned many times their cost in flood damages reduced, transportation cost savings, power and water supply revenues and the stimulation of local economies. In addition, these projects provide benefits that can't be reduced to mere dollars and cents in lives saved and in the protection and enhancement of fish and wildlife resources. In short, these projects represent a wise investment in America and in its resources.

Over the past decade, the corps' program has, unfortunately, been in decline. Disputes between the Congress and the administration over cost-sharing during the 1970's stalled new construction. As project construction declined, the condition of our existing projects deteriorated to the point where operation and maintenance costs exceeded construction expenditures.

Two years ago, we took a giant step foward turning the corps program around. Through the efforts of this committee, working in close cooperation with the Office of the Assistant Secretary of the Army for Civil Works, we put together one of the most sweeping water project bills in history. The Water Resources Development Act of 1986 put an end to decades of debate over Federal project cost-sharing. It also authorized hundreds of new projects as well as numerous project modifications which had been awaiting congressional authorization in some cases over a decade.

The results of the 1986 act have been impressive. The corps program has received a significant increase in funding—a truly remarkable accomplishment given the current, austere budget climate. Furthermore, because the Federal share of project costs is now less, Federal dollars are going farther to solve important local and national problems. Cooperation between the corps and local sponsors has been improved, as has the process for selecting projects.

This is not to say that all of the changes brought about by the 1986 act were good. There were aspects of increasing cost sharing that troubled me in 1986 and there are aspects that trouble me today. I am particularly concerned about how well this initiative will work in poorer areas of the country, where frequent flooding and poor infrastructure development has depressed the local economy making it almost impossible to raise the required non-Federal share of project costs.

Certainly, we will want to carefully monitor how well the program is working. Holding these hearings is an important first step. Today, we will hear from Mr. Robert Page, Assistant Secretary of the Army for Civil Works, concerning implementation of the 1986 act. I want to give a very warm welcome to Mr. Page who is, I believe, appearing for the first time before our Water Resources Subcommittee.

In addition to giving us a quick review of how the 1986 act is being implemented, Mr. Page will describe the administration's legislative proposal for the 100th Congress. On that subject, let me simply say that I welcome the proposal even though I have very strong reservations about one of its provisions. It is very encouraging to have the administration's support for a return to a regular corps' authorization cycle.

I hope that today's hearing will lead quickly to the development of a committee bill that could be marked up soon. Because the Senate has already completed work on a bill, we have an excellent opportunity to complete work on a bill that could become public law before Congress adjourns.

In closing, Mr. Chairman, I want to commend you as well as the ranking Republican on the Subcommittee, the gentleman from Minnesota (Mr. Stangeland), for holding today's hearings and I look forward to the important work that is to come.

PREPARED STATEMENT OF HON. THOMAS M. FOGLIETTA

Mr. Chairman, I want to thank you for the opportunity to appear today before the Water Resources Subcommittee to support legislation which would declare certain Philadelphia waterfront areas in my district to be non-navigable for the purpose of removing Federal navigation servitude from these sites.

The legislation concerns five economic development projects at the sites which are detailed by metes and bounds in the legislative text. In 1972, Congress enacted similar legislation for another site along the Philadelphia waterfront in my district, known today as Penn's Landing. All of these projects are consistent with the City of Philadelphia's over-all economic development plan, and, in particular, with the

City's important plans for commercial and recreational usage of the Delaware River.

The 1972 law, and the legislation I have proposed to the Subcommittee, specifically retain permitting powers of the U.S. Army Corps of Engineers with respect to the sites involved. However, without this legislation, under the doctrine of navigation servitude, the Army Corps could at some time in the future compel the removal or alteration of structural works on the sites without compensating the owners. This legislation will prevent that inequitable possibility, and thus enable the owners to have clear title and to obtain financing for development. The Army Corps would still have its permitting authority, including the removal or alteration of the projects, subject, of course, to compensation to the owners.

I want to acknowledge the assistance of the Army Corps for its cooperation in the preparation of this legislation, and the help and support I have had from Congressman Borski, who serves on your subcommittee, and the subcommittee staff. The five projects are consistent with Philadelphia's port development plans and supported by the City. They will generate substantial employment and economic activity and will also provide housing and recreation activities at Philadelphia waterfront sites which are presently, for the most part, vacant eyesores. Development of these projects proceed without the enactment of the legislation I have proposed, and I urge its approval.

PREPARED STATEMENT OF HON. HELEN DELICH BENTLEY

Chairman Nowak and Ranking Minority Member, Mr. Stangeland, I commend both of you for arranging today's subcommittee hearing to review proposed water resources authorization legislation. Effective implementation of the 1986 Omnibus Water Resources bill is imperative.

I look forward to receiving the testimony presented here today from the Assistant Secretary of the Army for Civil Works concerning legislative proposals necessary to effectively implement the 1986 Water Resouces Authorization.

Since the Water Resources Reauthorization became law in 1986, much needed progress has already been achieved in our nation's harbors, inland waterways, beaches and other important areas. However, much construction and development remains to be completed. In my home State of Maryland, development of the Baltimore Harbor is underway and on schedule but far from complete.

If we are to continue these vital water projects successfully, then this subcommittee will need to work closely with the Army Corps of Engineers in preparation of necessary authorization legislation. The Corps' continued efforts to restore and maintain our nation's water resources is greatly applauded.

I offer my continued support in the Congress to ensure that authorizing languate is written to provide for successful implementation of the Water Resources Development Act. An investment in public infrastructure is a sound investment in the economic future of the United States.

Mr. NOWAK. It is my understanding that Secretary Page has to attend a meeting today on the drought conditions throughout the United States. So, we will defer all of those statements to your timetable, Mr. Page, and ask you to commence with your testimony at this time.

TESTIMONY OF ROBERT W. PAGE, ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS, ACCOMPANIED BY JOHN S. DOYLE, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS; MAJ. GEN. THOMAS A. SANDS, ACTING DIRECTOR OF CIVIL WORKS, ARMY CORPS OF ENGINEERS; DR. BORY STEINBERG, CHIEF OF POLICY, REVIEW AND INITIATIVES DIVISION, CIVIL WORKS DIRECTORATE, OFFICE OF THE CHIEF OF ENGINEERS; AND JIM DAVIDSON, ASSISTANT CHIEF, PLANNING DIVISION, CIVIL WORKS DIRECTORATE, OFFICE OF THE CHIEF OF ENGINEERS

Mr. Page. Thank you, Mr. Chairman. I do apologize for having to leave prematurely, but this meeting has been called, and it's one that I must respond, with your indulgence, sir.

Assistant Secretary of the Army
For Civil Works
Testimony before
Subcommitte on Water Resources
U.S. House of Representatives

I appreciate having the opportunity to be here today and to testify. And you, Mr. Chairman, have already identified the principals who are accompanying me, but I would like to point again. This is John Doyle; sitting to my left, General Sands and Bory Steinberg. If and when I have to leave, they are certainly more than qualified to be able to carry forth any of the questions and pursue this testimony as you see.

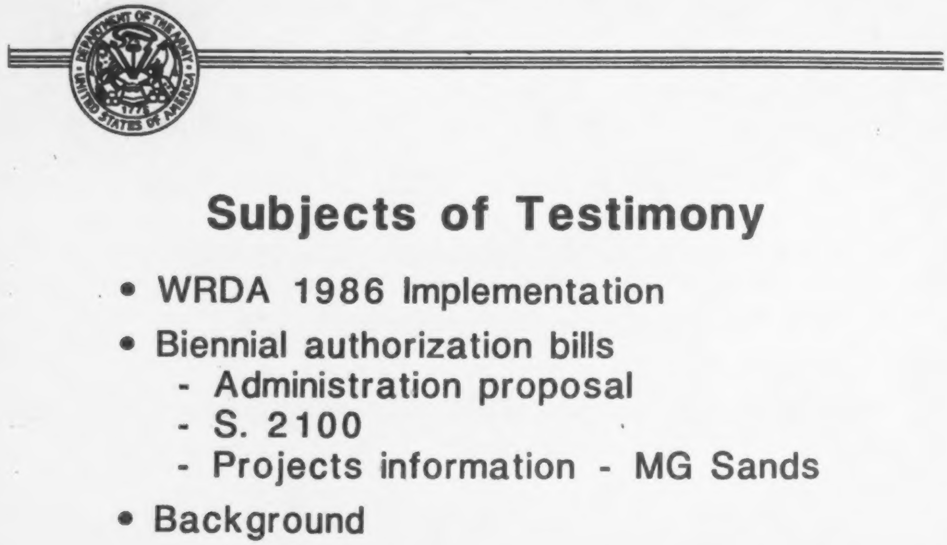
We will proceed today with a series of slides which I hope will be completely and totally illustrative of what our program is and what we intend to present. In addition to that, I have prepared a formal statement which I would like to request now that that be entered into the record.

Mr. Nowak. Without objection. And I might just add, having the opportunity to review it, it is a very comprehensive and very clear-cut statement about the facts of last year's law and where we are. And I think it clears up a lot of the questions that we had.

However, because of the time frame here, what I would request is unanimous consent that everybody will have the opportunity in the subcommittee—and some members are at other meetings too—to submit questions in the future, and we'll keep the record open for the detail at that time.

Mr. Page. Yes, sir. Thank you.

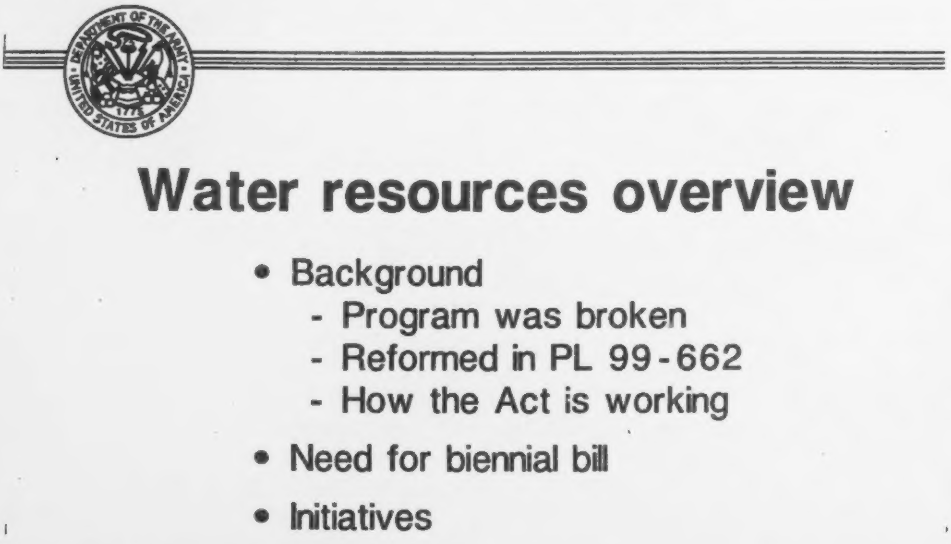
We will proceed now, if you will, with the slides.



Subjects of Testimony

- WRDA 1986 Implementation
- Biennial authorization bills
  - Administration proposal
  - S. 2100
  - Projects information - MG Sands
- Background

Mr. PAGE. Your letter invited my testimony on the implementation of the Water Resources Development Act of 1966 on legislation proposed by the Administration and on projects not yet authorized for which the Chief of Engineers' report has been completed. I also would like to address S. 2100, the Water Resources Development Act of 1986, which the Senate passed in April. However, before addressing these matters, I would like to provide background that will put the balance of my testimony in perspective.



Water resources overview

- Background
  - Program was broken
  - Reformed in PL 99-662
  - How the Act is working
- Need for biennial bill
- Initiatives

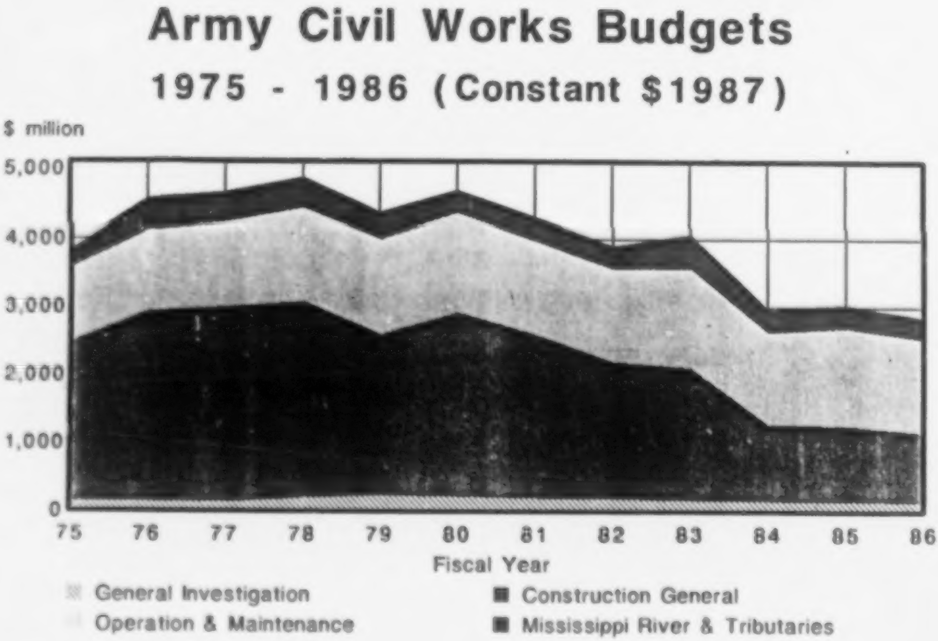
This is the first opportunity we have had to address the subcommittee since you presented us with the Water Resources Development Act of 1986. I think it is appropriate to review what led up to that legislation, and how your leadership has shaped and modernized our program.

I also wish to address what we need to do to maintain the momentum of Public Law 99-662. I will trace the history of how the program was broken, how the reforms of Public Law 99-662 served as a framework for repairing the program and how well the reforms are working. I will address the need to return to the biennial authorization process, the need to preserve the reforms and some initiatives we are taking to build on those reforms.

Water Resources Program 1970 - 1986

- Competing demands
- Limited budget
- Environmental awareness

As you will recall, the Army water resources development program was in a stagnated political gridlock for roughly 16 years. Too many projects were competing for a very limited budget, and there was a new awareness of the potential effects of such projects on the environment.



Army Civil Works Budgets

1975 - 1986 (Constant $1987)

Our appropriations remained relatively constant during this period. However, inflation was rising dramatically.

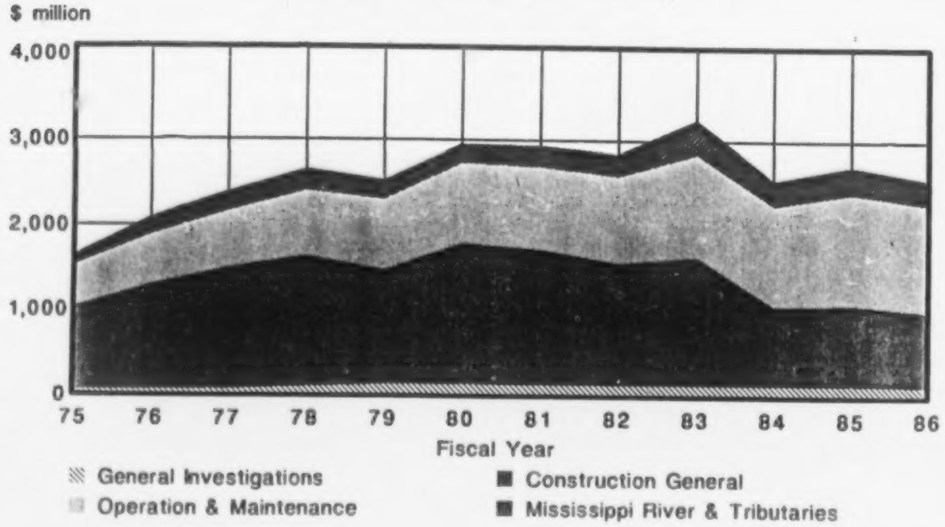
Do you wish to spend some time looking at these? I think you have been given these slides. If you have any questions, please, as we move on with them.

Mr. Nowak. Why don't you go through them?

Mr. Page. We'll go through them.

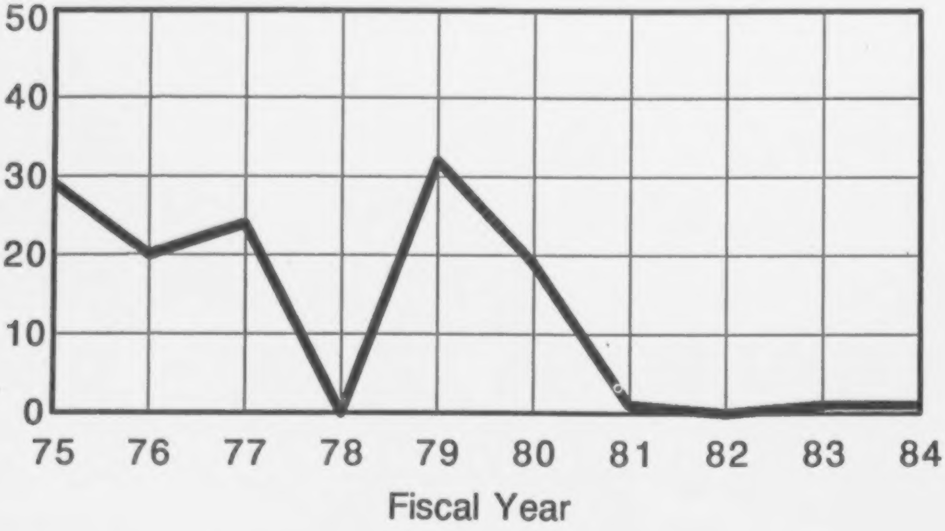
Army Civil Works Budgets

1975-1986 (Actual)



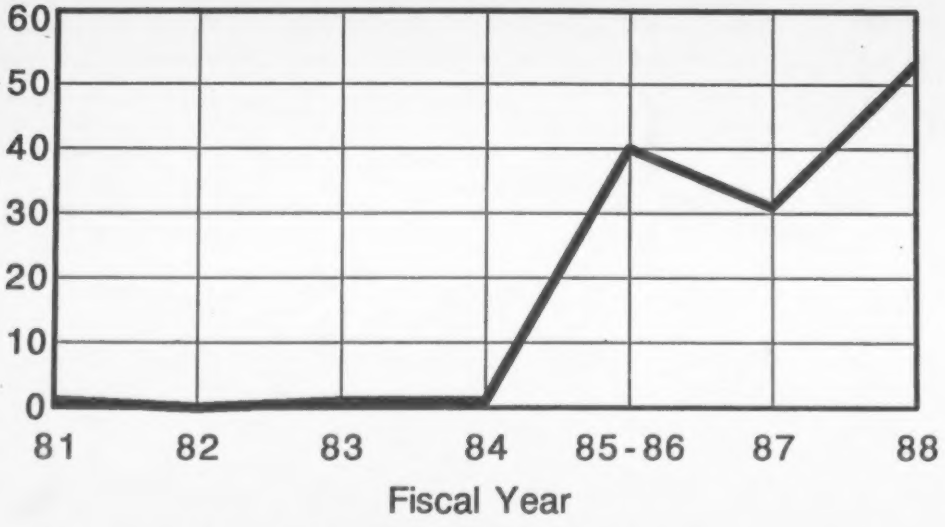
In real dollars our water resources investment was declining substantially as shown there.

Construction news starts



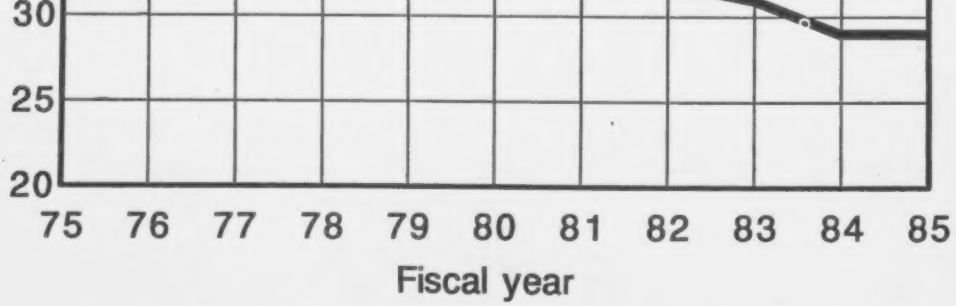
New starts that ranged between 20 and 30 a year in the 1970's dropped to only 3 in the first four years of the 1980's.

Construction news starts



Since adopting cost sharing, 124 new construction starts and separable elements of other projects have been authorized, and 6 more are in the President's proposed budget.

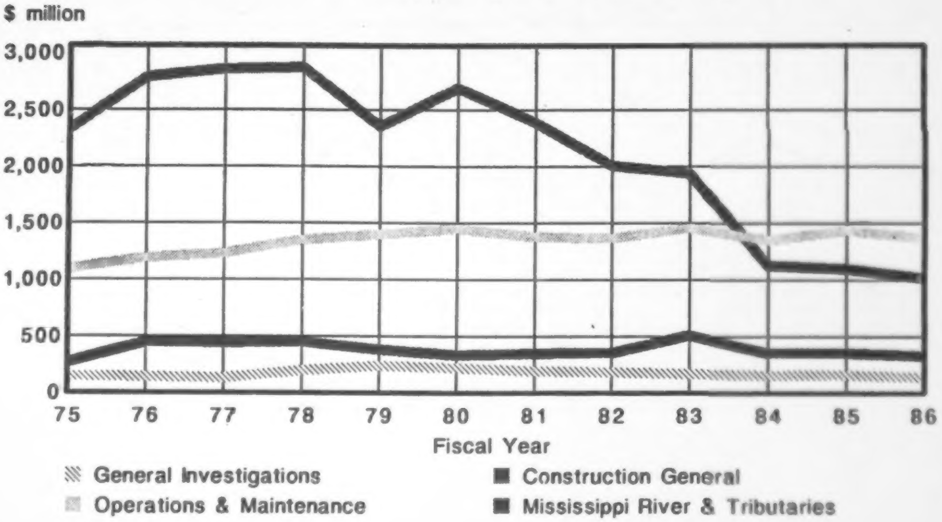
Civil Works Manpower Ceiling



While the program was shrinking, our personnel ceilings shrunk as well, decreasing from 32,000 in 1970 to 28,000 in 1985.

Army Civil Works Budgets

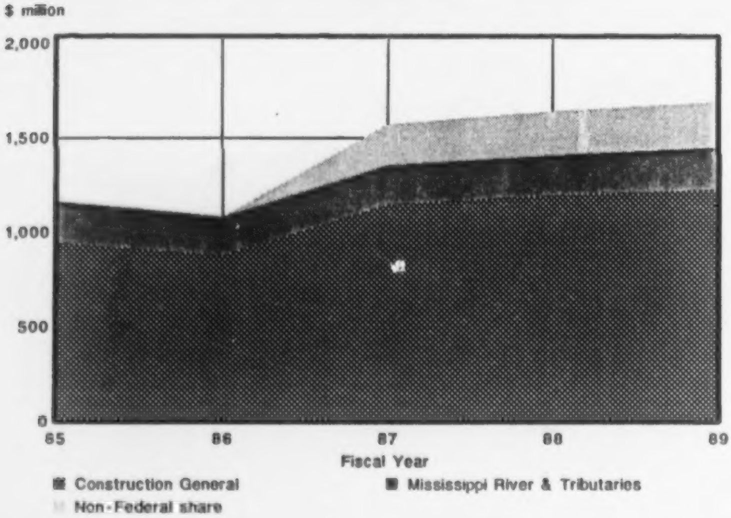
1975 - 1986 (Constant $)



This graph shows the dramatic increase that our construction program suffered, which was falling below $1 billion with operations and maintenance holding steady. We were on our way to becoming a Corps of caretakers.

Do you want to take a look at that? The green line, of course, is one we referred to initially and how we are maintaining our operation and maintenance, service organizations, we might say.

Army Civil Works Budget Construction



Since passage of Public Law 99-662, our construction account has increased nearly 40 percent and non-Federal financing goes up from a mere 2 percent just two years ago to 14 percent of our construction budget today.

Water Reseources Development Act of 1986

PL 99-662

- Supported by Congress & Administration
- Framework for rebuilding

Our program needed new direction and with the leadership of this committee, the Congress and the Administration gave us the new framework we needed in the Water Resources Development Act of 1986.

New framework

- Increased cost sharing
- User fees
- Cost controls
- Sunset authorizations
- Non-federal participation
- Non-federal development
- Inland waterways users board

This new framework includes several important reforms: increased cost-sharing criteria, new user fees on harbors and the inland waterways, cost controls that can provide discipline for our program, sunset provisions automatically deauthorizing weak projects, increased non-Federal participation in the decision making process, facilitation of a non-Federal development of flood control projects, and establishment of the Inland Waterway Users Board.

Project down sizing

Project	Authorized	Scheduled	$ deferred
Baltimore Harbor	50'dx800'w	50'dx700'w	56 mil
Norfolk Harbor	2 channels 55'd	1 channel 50'd	111 mil
Little Dell	253'h dam	226'h dam	17 mil
Merced County	2 dams	1 dam	78 mil

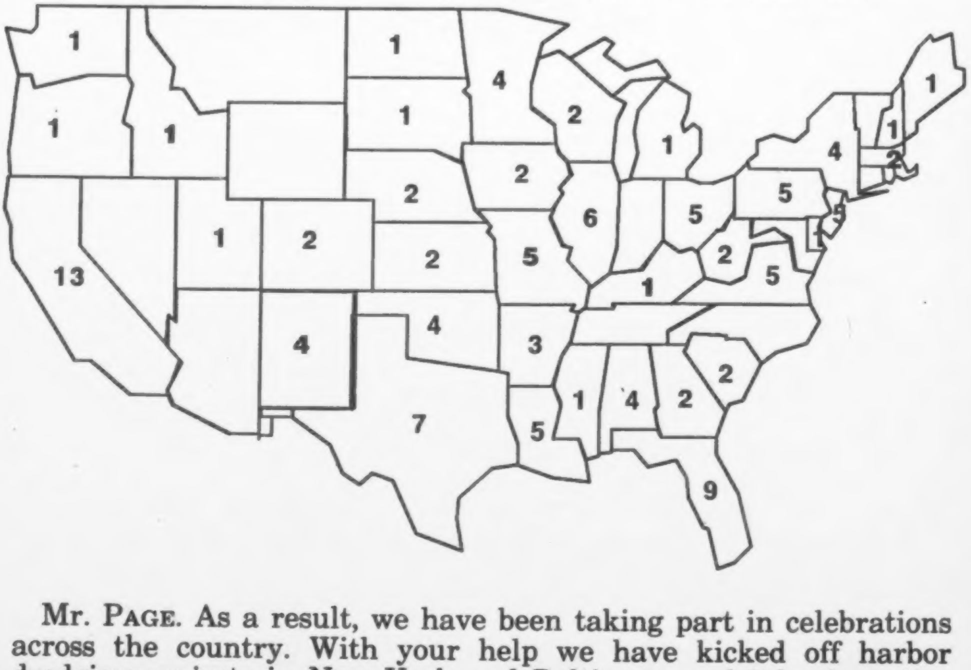
Among the many significant program enhancements we have hoped to gain through the Public Law 99-662 was the environmental and economic effect of project downsizing. While we have seen this come to pass, here are a few examples of downsizing and phasing of projects as the results of these cost-sharing requirements. I think that is fairly significant. Such modifications minimize environmental impacts and make available millions of dollars that can be put forward toward other worthy projects. We have identified hundreds of millions of dollars in reduced costs so far, and we are certain that there are more to come.

There will be, incidentally, copy of these slides, Mr. Chairman, for you later on.

Mr. Nowak. They were not included in the testimony that was submitted yesterday, so we would appreciate it.

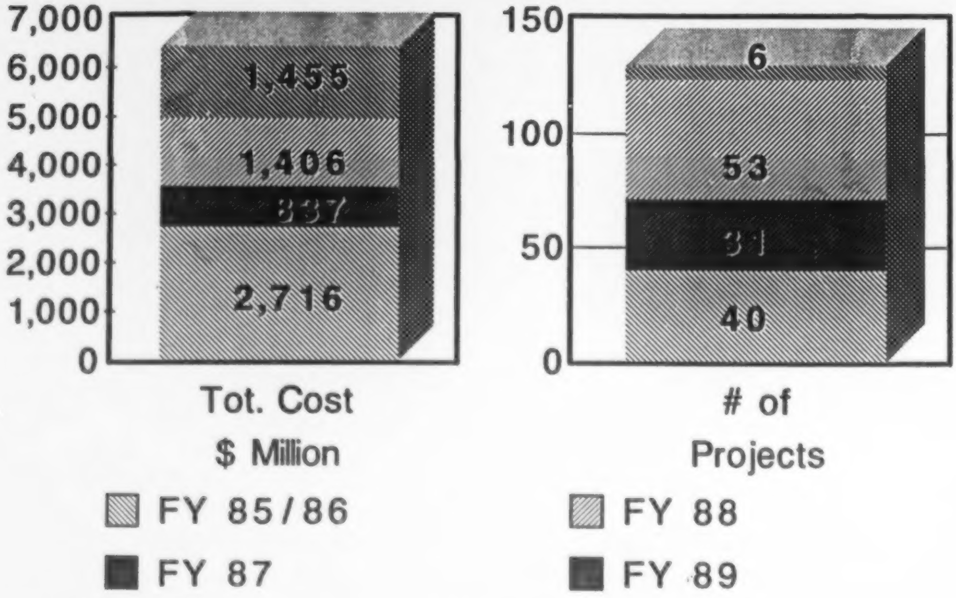
Mr. Page. We will do that because you will have to have a chance to review them.

Mr. Nowak. Thank you.


New Construction Starts

Mr. Page. As a result, we have been taking part in celebrations across the country. With your help we have kicked off harbor dredging projects in New York and Baltimore and inland navigation projects at the Gallipolis and Grays Landing locks and dams. We have celebrated signing of agreements for flood control projects in Rochester, Minnesota; San Luis Rey, California, Fourche Bayou, Arkansas; and North Branch, Chicago River, Illinois. These projects involve construction costs of hundreds of millions of dollars invested in these areas.

Construction New Starts



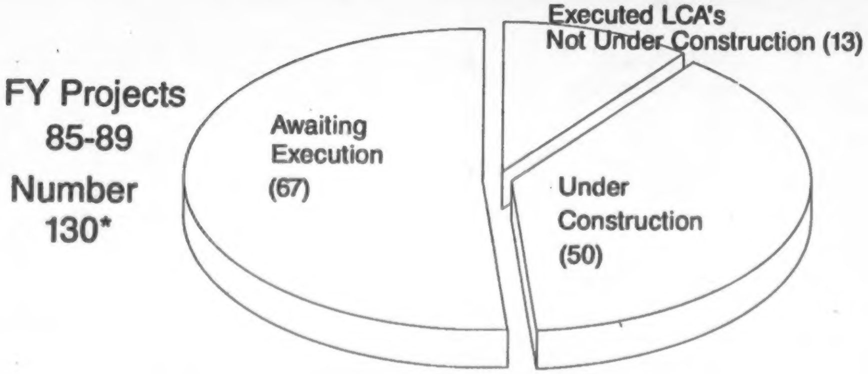
This shows the magnitude of this new construction which is over $6 billion.

PL 99-662 Status Report

- Cost sharing working
  - Local sponsors signing up
- Sound projects move forward
  - Engineering
  - Economic
  - Environmental

The cost-sharing reforms are working. Local sponsors are signing up. The process is moving forward with the most worthy projects, and that's helping build credibility in many areas.

New Starts Status



End of 1st Quarter FY 88

*Includes 6 New Starts not requiring LCA's
(5 Inland Navigation & Atchafalaya Floodway)

We have met with considerable success in negotiating local cooperation agreements, where needed, and now have 50 new starts under construction and LCA's executed on another 13.

Status Report
PL 99-662 (con't)

- Guidance to field
  - Financing
    - Cost sharing
      - User charges
- Credit provisions
- Ability to pay
- Inland Waterway Users Board
- Office of Environmental Policy

Here are some indications of our success in implementing the provisions of the act. We have issued guidance to the field on financing, cost sharing, and user charge provisions. We are implementing the credit provisions of past work done by sponsors. Interim guidance is out on the ability to pay provision. The Inland Waterway Users Board and the Office of Environmental Policy have been established and are both performing well.

DEPARTMENT OF THE ARMY
UNITED STATES OF AMERICA
1775

Deauthorizations

Water Resources Development Act 1986

- 300 statutory language
- 555 studies reported & deauthorized
- 359 projects reported eligible

Besides the 300 statutory deauthorizations we have submitted to Congress, 555 studies that have been deauthorized under title 7 of Public Law 99-662, and 359 projects are in the automatic deauthorization.

DEPARTMENT OF THE ARMY
UNITED STATES OF AMERICA
1775

PL 99-662
Project implementation

300 projects authorized
88 funded for construction
74 funded for PED
(Preconstruction Engineering & Design)

Of the roughly 300 projects authorized in Public Law 99-662, 88 have been funded or are proposed for funding for construction in the President's fiscal year 1989 budget request. An additional 74 are funded or proposed for funding for preconstruction, engineering and design. These indicators, of course, point to a very healthy program.

Measures required to realize PL 99-662's full dividends

- Biennial authorization cycle
- Preserve cost sharing reforms
- Ensure sound project investment
  - Modest Bill
  - Economically sound
  - Environmentally sensitive

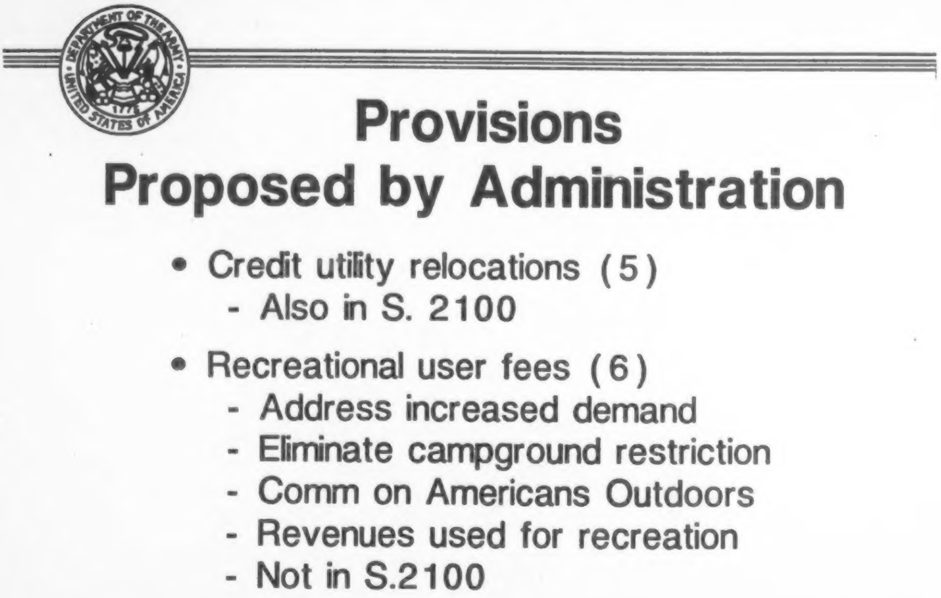
To maintain our momentum, we need to build on these achievements. Our first initiative is to pose at this hearing today returning the Army Civil Works program to a biennialized authorization cycle. And, sir, we commend the committee for pursuing this initiative and the statements that were made prior to our commencing here.

Critical toward maintaining program momentum and credibility is preservation of the cost-sharing reforms of Public Law 99-662. We must ensure that authorized projects are truly sound investments and environmentally sensitive.

Administration proposed projects

- Olmstead, IL ($775 million)
- Hazard, KY ($7.5 million)
- Delaware, Schuylkill Rivers, PA ($16.9 million)
- Truckee Meadows, NV ($78.4 million)
- Scioto, OH ($31.6 million)
- Fort Pierce, FL ($6.5 million)

To reestablish the two-year authorization cycle and yet be sensitive to budgetary realities, we submitted a modest proposal earlier this year that recommended the first four projects listed here. Subsequently we have completed review and recommended the West Columbus Scioto River—in fact, they put that in parentheses. They didn't think I could pronounce it—and the Fort Pierce projects.



Provisions Proposed by Administration

- Credit utility relocations (5)
  - Also in S. 2100
- Recreational user fees (6)
  - Address increased demand
  - Eliminate campground restriction
  - Comm on Americans Outdoors
  - Revenues used for recreation
  - Not in S.2100

Two provisions in the Administration's proposal provide technical clarifications to Public Law 99-662. Section 5 would allow the cost of utility relocations in navigation projects borne by the non-Federal sponsor to be credited toward the sponsor's additional 10 percent cost-sharing requirement.

Section 6 represents one of the most important proposals. There is strong public desire to develop recreation potential at Corps projects. The Corps operates an outstanding recreation program throughout the country, but we must be able to keep up with the public demand. With budget constraints being what they are, we need a different approach. Our proposal would enable the Corps to charge for use of developed recreation areas. The President's Commission on Americans Outdoors found that people are willing to pay more to use recreation facilities on public lands. If enacted, we would use the revenue to maintain and improve Corps recreation areas. The provision is presently not in S. 2100. So, I would urge this committee, especially strongly urge, that they include it in the bill that you develop.

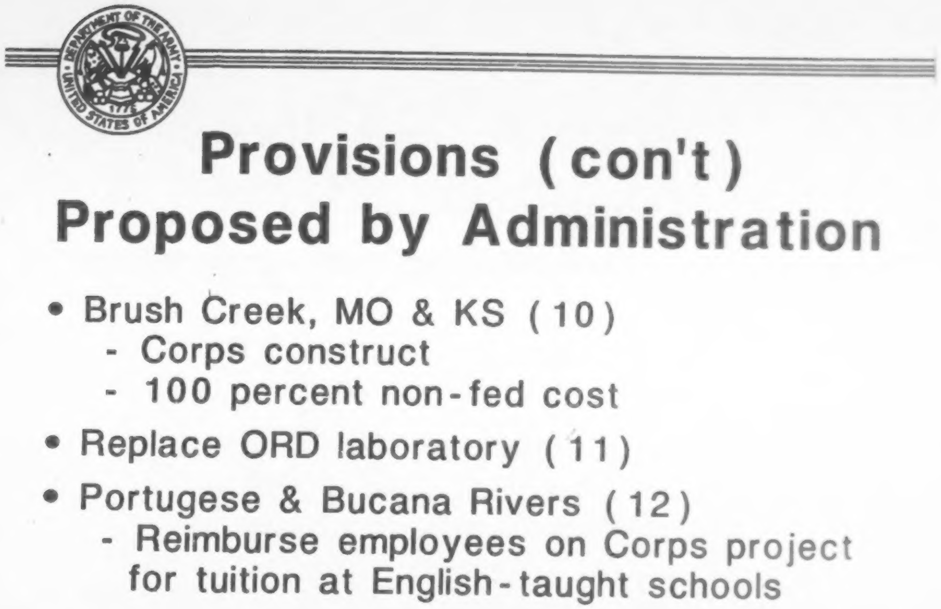
Provisions (con't) Proposed by Administration

- Great Lakes Disposal facilities (7)
- Transfer funds to other agencies (8)
  - Intensify wildlife management
- Technical assistance to private firms (9)
  - Competing for foreign contracts
  - Corps costs paid by firm

Section 7 would clarify that the use of the Great Lakes disposal sites is based on site capacity, not on a 10 year limit. This would not change the current program operation. It would also put the Great Lakes area on the same cost-sharing basis as the rest of the country.

Section 8 would allow the Corps to transfer funds to other public agencies to intensify wildlife management on lands owned by them in order to improve our ability to mitigate for impacts for Corps projects.

Section 9 would authorize the two-year demonstration program allowing the Corps to provide technical assistance to private firms competing for foreign contracts. All Corps costs would be paid in advance by the firm.



Provisions (con't) Proposed by Administration

- Brush Creek, MO & KS (10)
    - Corps construct
    - 100 percent non-fed cost
- Replace ORD laboratory (11)
- Portugese & Bucana Rivers (12)
    - Reimburse employees on Corps project for tuition at English-taught schools

Section 10 would allow the Corps to do the engineering and construction work at 100 percent non-Federal cost for extensions to the Federal project at Brush Creek, Missouri and Kansas which are desired by the non-Federal sponsor, but not justified for Federal expenditures. We believe this will promote the partnership goals of Public Law 99-662 and will result in savings to both the Federal Government and the Federal sponsor.

The other proposals are fairly self-evident. Section 11 would authorize the Corps to construct a replacement laboratory near the Ohio River Division in Cincinnati. The old lab is obsolete.

Section 12 would allow the Corps to reimburse employees working on Corps Portuguese and Bucana River projects in Puerto Rico for tuition expenses for their children to attend English language schools near the project.

Most of the provisions of our legislative proposal were included by the Senate in S. 2100. We encourage you to include these provisions, as well as the balance of our proposals, in any bill that you develop.

Mr. **Nowak**. We have 15 minutes before the 10 o'clock session starts, Mr. Secretary. So, if you want to go right through, continue, and we'll stay here until the bells ring, if they do.

Mr. **Page**. Yes, sir, whichever you prefer. We have just a short period here to go.

Internal initiatives

- Expand feasibility scope
  - Definitive cost estimates, schedules
- Accelerate process
  - Early, clear guidance to DEs
  - Administration support
- Project Manager System
  - Cradle to grave ownership
  - Better economy & efficiency
- Cost & schedule control system

To maintain the program momentum provided by Public Law 99-662, we are making significant changes to our internal mechanisms that will ensure us to be more responsive to our local partners' needs. We are expanding the scope of feasibility studies to include more definite cost and project scheduling, accelerating the planning and designing and construction of projects, instituting a project manager system to identify one person to be responsible for the project from cradle to grave, and providing a positive system of controls on costs and schedules.

Construction Productivity Advancement Research

- U.S. R&D investment deficient
- Cost-sharing
- Joint-venture
  - FY 88 $300,000 determine feasibility
  - Report to Congress for FY 89

Another major initiative aims to make better use of the Corps capabilities to enhance engineering and construction quality through research and development. This Nation's R&D is seriously deficient. We envision a cost-shared program with private industry and seek to reprogram $300,000 of our 1988 R&D program to determine the feasibility of this effort.

S. 2100: Army position

- Authorizes 16 projects
  - 6 favorably reviewed
  - 2 projects not supported
- Cost control & management
- Special provisions not supported
- Recreation user fees not included
- Moves water program forward

I have attached for the committee's use a detailed statement of the Army's position on the provisions of S. 2100. This visual summarizes those major points. Six of the 16 projects have been favorably reviewed by the Administration, but 8 of the remaining 10 projects, while covered by a report of the Chief of Engineers, have not yet completed the executive branch review requirements. Thus, we oppose their authorization as being premature.

The Wolf and Jordan Rivers, Mississippi, and the Chicagoland Underflow Plan are not recommended for authorization.

The bill contains a number of provisions that control cost and encourage innovation. Several of these are also contained in the Army's proposal, and we generally support those provisions. However, a number of provisions relating to special situations and projects are not supportable in their current form without additional justification.

And as I mentioned earlier, we are also concerned with the Senate decision not to include the Army's proposal for increased recreation user fees. Enactment of this proposal would place the Corps on a comparable basis with other agencies.

In summary, S. 2100 represents an important first step in moving the Nation's water program forward. We pledge our support in working with you and the Senate to develop a supportable bill.

Summary

- Leadership in Water Resources Development
- PL 99-662 working
- Biennial authorization cycle
- Preserve cost sharing reforms
- Initiatives to improve program
- Opportunity for responsible legislation

We commend this committee for your leadership in the Nation's water resources development. The legislation you provided us is working very well. We need to preserve the reforms of Public Law 99–662, and we applaud your efforts to reestablish the two-year authorization cycle. For our part, we are pursuing a number of initiatives to provide the people of this country with a vital cost effective and timely water resource program. We pledge to work with you and take full advantage of the opportunities we enjoy for responsible legislation.

Mr. Chairman, that concludes my testimony. General Sands will now provide some information, or probably after your break, on projects that have been favorably reported on by the Corps of Engineers. Before he does this, I would like to reiterate that we oppose authorization of the Wolf and Jordan Rivers, as previously mentioned, Chicagoland Underflow Plan and other projects for which the Administration position has not been established.

Sir, Mr. Chairman, members, for the benefit of myself and my colleagues we wish to thank you again for the opportunity to appear here, and we would be happy to answer any questions that you have for us before General Sands begins.

Mr. NOWAK. Thank you very much, and we appreciate the opportunity. I know that you have——

Mr. PAGE. If I might, Mr. Chairman.

Mr. NOWAK [continuing]. A meeting, and any specific questions that your staff can't answer, I'm sure they will refer back to you when you have solved the problem of the drought.

Mr. PAGE. Yes, sir. Thank you.

Mr. NOWAK. Thank you very much for coming, Mr. Secretary.

Mr. Doyle, would you like to continue now at this time?

Mr. DOYLE. To your pleasure, sir. We can begin to go into the individual projects or break at this point until you go to the floor, whatever your pleasure is.

Mr. **Nowak**. Why don't we start the projects and then if we have to break, we will, John.

Mr. Doyle, I was just informed that a few members have specific questions as to last year's law and perhaps before you begin the cycle, which I understand will take about an hour, maybe we should reverse the procedure here and open up the questions until we break, and then that will not interrupt the continuity of your presentation on the projects.

Mr. **Doyle**. Certainly. That would be fine, sir.

Mr. **Nowak**. Let me refer a couple of questions to you. On page 9 of the testimony, it is clear that for the first time in many, many years we've got projects off the mark again. Projects have been funded for construction in the President's budget for fiscal year 1989. An additional 74 projects have been funded or proposed for funding for preconstruction engineering and design, which when you look at the numbers through the early 1980's, there's a vast difference. And I'm sure that not only the funding of those projects, but from what I have been able to determine, the renegotiation after the act was passed, you have been able to include substantial modifications in the projects in terms of size and also, of course, in terms of non-Federal contribution, which seems to me will open up this process even wider in the days ahead.

And given the budget situation, I think one question that's on everybody's mind is that given that situation, the annual obligation ceilings that we put in last year's bill, the 1986 bill, what do you foresee in the way of new construction starts after this year, after the 1989 year when you look at the overall obligation ceilings for the next five years and beyond. Do you expect that the program would be constrained at some point in the near future because of the budgetary limitations that we're operating under?

Mr. **Doyle**. Mr. Chairman, as so often happens, it's a good news/bad news story I suppose. The program, as you know, for years was in a languishing state, as you correctly stated, and has come to life again as a result of the reforms that are contained in Public Law 99-662, which we knew for so many years as H.R. 6 up here. We believe that the future of the program is sound, and we mean that both in the short term and the long term so long as the reforms are preserved.

The new starts question, of course, depends on what happens this year. The Administration believes that we are in a position to go forward in fiscal year 1989 with six new starts. Thus far the Congress has not seen fit to agree to that approach. If that situation resolves itself, then we will be in a position to begin that work next year. If not, we will have those candidate projects, in addition to others that are currently moving through the system, as an eligible menu of new start projects for the future. At this point in time, we do not see that the obligation ceilings that are in the bill, which continue for the next three fiscal years, will be a problem that we believe needs to be addressed. We think we're okay with the program that we currently have and the obligations ceilings that we have.

Mr. **Nowak**. We will certainly be following that very closely because I think there may come a point in time where we're going to have to review that as you go through the feasibility studies and more and more of those projects come on board. At the same time, of course, we're going to be deauthorizing substantial numbers of projects that haven't been funded either through the cycle or sections in the old bill or 10 years without money I guess. So, we will be receiving those as well and hopefully be able to clear up the whole content of your menu, so to speak, of projects so we can truly get to the more urgent and higher priority subjects that you're looking at.

One of the areas that Secretary Page mentioned in his testimony was the concern about the user fees in project areas that have been somewhat developed. And I'm wondering if this would be a priority with the Army and what kind of estimate of revenue would we be looking at from those user fees. Has that been analyzed to the point of attendance and multiplied out?

Mr. DOYLE. Mr. Chairman, first of all, we're talking on a subcategory of user fees. If I can just reset the stage, we're talking about recreation user fees as opposed to the entire panoply of user fee categories.

We have done, I believe some preliminary estimates of possible revenues. My recollection is that we were looking to approximately $20 million in additional revenue in fiscal year 1989, but I'll confirm that for the record to make sure that that's a correct number. Projected out-year amounts are essentially the same.

[The information follows:]

The Corps estimates that an additional $19.8 million in additional revenue could be derived from user fees in 1989 if proposed user fee legislation is passed.

Mr. NOWAK. I assume that was based upon the number of attendees at these recreational sites and an approximation of what the Bureau of Reclamation or the National Park Service charges for these?

Mr. DOYLE. I believe that's correct, sir, but I'll provide that detail for the record.

[The information follows:]

The Corps has based the revenue projections on an annual overnight camper visitation of 7.2 million and an annual day use visitation of 337 million. The fees associated with each of these are based on a median of $6.00 per night for camping and $1.00 per vehicle for day use visitation, a range judged to be comparable with rates charged at public and private camping and day use areas. Seasonal passes were estimated to have a value of $25.00, consistent with current National Park Services charges.

RECREATION AREA
OPERATION AND MAINTENANCE COSTS / REVENUES
1983 thru 1987

YEAR	O & M COSTS (Millions)	USER FEE REVENUES (Millions)
1987	$ 111,675	$ 13,431 **
1986	104,280	11,903
1985	110,659	11,713
1984	102,270	11,007
1983	80,294	8,646

** NOTE: Increase due to restructured fee schedule.

PROJECTED INCREASED FY 89 REVENUES GENERATED FROM PROPOSED USER/ENTRANCE FEE LEGISLATION

Assumptions:

- Visitation to recreation areas will be reduced as a result of proposed fee structure.
- Not all recreation areas are suitable for collection of entrance fees.

Calculations:

- Entrance Fees
  - 1400 total day use sites.
  - 300 sites unsuitable for collection.
  - 1100 sites = 55 Million visits/year.

-- 400K seasonal passes	$ 10.4
-- 8.8 Mil single vehicle entries ..	$ 8.8
Total (Mil)	$ 19.2

- Additional User Fees

- 180 free camp areas converted to fee ...		$ 1.0
	Total (Mil)	$ 1.0
Proposed Entrance/Add'l User Fees	Total (Mil)	$ 20.2

PROJECTED FY 89 FEE REVENUES
GENERATED FROM
EXISTING AUTHORITIES

Calculations:

- User Fees

- 620 Existing areas		$ 13.5
	Total (Mil)	$ 13.5

TOTAL PROJECTED FY 89 REVENUES
GENERATED FROM
PROPOSED AND EXISTING AUTHORITIES

* Proposed Entrance Fees		$ 19.2
* Proposed Additional User Fees		$ 1.0
* Existing User Fees		$ 13.5
	Total Revenues	$ 33.7 **

** Note: Projected outyear amounts are essentially the same.

The message that we would like to have the opportunity to deliver is that other Federal agencies do have authority and do not have constraints that the Army has with respect to recreation user fees. The Department of the Interior, the Department of Agriculture are able to charge user fees to help them satisfy the recreation needs of the American public, and what we would like to do is be put in the same position as those other agencies relatively speaking. We would like to be able to do more recreation related work than we currently are with our budgetary situation.

Mr. NOWAK. That would give you a reason to expand then in some of these project areas or at least improve some of the project areas if there were a balance of revenue coming in.

Mr. DOYLE. Exactly. It would allow us to do work that we can't currently do because of revenue constraints.

Mr. NOWAK. I wonder if you could supply all that information to us so we can have a thorough look at that as we move to the marking up of this legislation, Mr. Doyle.

Mr. DOYLE. Absolutely, sir.

[The information follows:]

It is the goal of the Corps of Engineers to provide quality recreation experiences for the visiting public. This objective is tempered by the equally important goal of providing the most cost efficient management at water resource development projects. Generally expenditures of special recreation use fees revenues are authorized to renovate and/or consolidate project recreation areas to reduce project O&M in support of the stated goals. These efforts must take place in existing recreation areas.

The current budget situation simply does not allow us to continue to operate and maintain our facilities at the level we all desire. Passage of the proposed user fee legislation will reduce the possibility of additional closures, permit the Corps to restore curtailed services, refurbish outdated restrooms and other facilities, and increase revenue production by installing electrical or water system hookups, constructing group shelters or multiple family sites, etc. User fees will more equitably distribute a portion of the total cost of recreation area operation and maintenance among the users who benefit from them

Mr. NOWAK. Thank you very much.

Let me, because of the time constraints, turn to Mr. Stangeland for any questions he may have at this time. I might just reference all the members that if we could give everybody the opportunity because I know other members have markups in other committees. And we'll try to keep this round short and then have the opportunity later. Perhaps you could come back and then ask the questions after the presentation.

Mr. Stangeland.

Mr. STANGELAND. I'll defer my questions until after they complete their presentation.

Mr. NOWAK. Mr. Grant from Florida?

Mr. GRANT. Thank you, Mr. Chairman. I would yield to my more senior colleague if he has questions. I do have a couple.

Mr. VISCLOSKY. Mr. Grant, I appreciate that very much.

Mr. NOWAK. Mr. Visclosky?

Mr. VISCLOSKY. Mr. Chairman, I would ask unanimous consent that three documents be included in the record at this point in time. The first request would be the language dealing with the Little Calumet River project in Indiana, as contained in Public Law 99-662.

Mr. **Visclosky**. The second request would be that a copy of my letter dated February 11, 1988 to Secretary Page and Secretary Page's response dated April 7, 1988 also be included in the record.

Mr. **Nowak**. Without objection, all three will be referenced.

[The information follows:]

PETER J. VISCLOSKY
1ST DISTRICT, INDIANA

COMMITTEES
PUBLIC WORKS AND TRANSPORTATION
EDUCATION AND LABOR
INTERIOR AND INSULAR AFFAIRS
CONGRESSIONAL STEEL CAUCUS
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February 11, 1988

The Honorable Robert Page
Assistant Secretary of the Army
Civil Works
The Pentagon, Room 2E570
Washington, D.C. 20310-0103

Dear Mr. Page:

I write regarding the Little Calumet River flood control project authorized in the Water Resources Development Act of 1986 (P.L 99-662).

Statutory language in P.L. 99-662 clearly directed the Corps of Engineers to pursue this project along the guidelines of Plan 3A, a design that represents the most comprehensive solution to flooding from the Little Calumet River. Most importantly, Plan 3A would provide thorough protection for neighborhoods in Gary, Indiana affected by flooding. Plan 3B, a proposal not authorized for further consideration, would not provide flood protection for areas east of Cline Avenue.

Despite the explicit statute in P.L. 99-662, I was surprised to learn that the Corps of Engineers will continue to study both Plans 3A and 3B in the final General Design Memorandum.

The Army's disregard of Congress in this matter is most alarming. Plan 3A is the only authorized project design; continued examination of Plan 3B represents a wasteful expenditure of precious Federal funds.

The State of Indiana, other Federal agencies, and all significant local interests have expressed unreserved support for Plan 3A. In an effort to be conciliatory, the Little Calumet River Basin Development Commission has modified Plan 3A to provide cost savings in Federal expenditures. However, local interests are committed to the belief that these modifications must not deviate from the essential framework of Plan 3A.

I respectfully request that all efforts on the Little Calumet project be directed toward the realization of Plan 3A pursuant to the directions of P.L. 99-662 and the desires of the affected communities.

Thank you for your prompt reply to my communication.

Sincerely,

Peter J. Visclosky
Member of Congress

PJV:js

cc: Lt. General E.R. Heiberg,
  Commander, Chief of Engineers
 Colonel Jesse Franco,
  District Office, Corps of Engineers
 The Honorable Thomas Barnes
  Mayor of Gary
 Mr. John DeMeo, Chairman, Little Calumet
  River Basin Development Commission
 Mr. Dan Gardner, Little Calumet River
  Basin Development Commission
 Members, Little Calumet River Basin
 The Honorable Vernon Smith, President,
  Gary Common Council

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, DC 20310

7 APR 1988

Honorable Peter J. Visclosky
House of Representatives
Washington, D. C. 20515-1401

Dear Congressman Visclosky:

This is in response to your letter of February 11, 1988, concerning the Little Calumet River flood control project authorized in the Water Resources Development Act of 1986 (P.L. 99-662).

I agree, efficiency in Federal expenditures is a critical question in relation to this project. For this reason, the Army Corps of Engineers was requested to review, revise as warranted, and compare both Plan 3B and Plan 3A. In addition, the Army Corps of Engineers will consider any alternatives to Plan 3B which would avoid any involuntary evacuation and still provide a level of flood protection throughout the Gary area commensurate with the overall project. When this investigation is complete, it will be forwarded to this office for a determination of what further action, if any, should be taken.

Thank you for your interest in this matter.

Sincerely,

Robert W. Page
Assistant Secretary of the Army
(Civil Works)

Mr. **Visclosky**. Mr. Chairman, I would first like to note that it has captured my attention that as far as new construction starts, we have not seen any in Indiana. I guess my first question would be can we anticipate any during current fiscal year 1989.

Mr. **Doyle**. There was no new construction start proposed by the Administration in Indiana. There were six projects that were proposed by the Administration, for new start status in 1989, but none of those was in Indiana. But as I mentioned, at least at this point, none of those projects has been included in the appropriations process which, as you probably know, finished the Senator floor the day before yesterday.

Mr. **Visclosky**. The second question I would have would be general in nature. On the slide in the presentation prior to the designation of new project starts, there was a sheet called project downsizing. Would you care to explain the concept of project downsizing and its authorization as contained in the last Congress' authorization act?

Mr. **Doyle**. Yes, sir. And that's a fundamental question that really Congressman Petri was addressing in his comments.

One of the predictions that was made as to the effect that cost-sharing reforms would have was that projects which, when the Federal Government was paying the entire cost, were oversized as a result of that financing arrangement, would be scoped down, would be pared back, would be made more economical and more environmentally acceptable as a result of the requirement of non-Federal sponsors to come forward and share in the cost. That, in effect, has happened.

That downsizing chart that you have illustrates four or five examples of where that process has been seen: a couple of navigation projects involving reduction in scope of the channels that were originally envisioned, a couple of flood control projects involving downsizing of the reservoirs, and an actual reduction in one case of the number of reservoirs as a direct result of the cost-sharing reforms in Public Law 99-662.

So, to go back to Mr. Petri's point, we think we truly are getting the better bang for the buck for the American people that was predicted and that you all gave us as a result of 99-662.

Mr. **Visclosky**. So, the downsizing would occur because the local sponsors would either be unable or unwilling to make their appropriate contribution to the project, and so modifications might be made based on that financing available at the local level.

Mr. **Doyle**. I don't think it's so much an inability as it is a greater scrutiny that's being applied to the project selection process and the project scoping process as additional players have a more direct financial stake in the product that is being constructed.

Mr. **Visclosky**. But it would be by and large the initiative of the locals who would want to change the scope because when they now have to put additional monies on the line, they give reconsideration to the scope of the project.

Mr. **Doyle**. Well, it's very much a motivation of us and the Department of the Army as well to try and make sure that we don't go forward with a project that's oversized, that attempts to do more than is economically in the best interest of the country. So, it's a partnership in every sense of the word.

Mr. **Visclosky**. I would like to touch upon that, and obviously from a very parochial standpoint, a project in my district, and that is the Little Calumet River project. The public clause states that: "In accordance with plan 3A contained in the report of Chief of Engineers dated July 2, 1984, provided that all of the features of plan 3A, as recommended and described in the report of the district engineer, are included." In Secretary Page's letter of April 7, 1988, the phrase is contained: "For this reason, the Army Corps of Engineers was requested to review, revise as warranted, and compare both plan 3B and plan 3A."

My first question is who requested the review?

Mr. **Doyle**. As I recall the facts, I did.

Mr. **Visclosky**. Can I ask why?

Mr. **Doyle**. Yes, sir. It's my recollection—and please help me if I get this wrong—that the plan that was recommended by the Chief of Engineers and by the Secretary of the Army was plan 3B. That plan 3B was the plan which, according to our principles and guidelines, which are the rules and regulations establishing how we formulate projects in the national interest, was the plan that maximized what we call net economic development benefits for the Nation.

Plan 3A, as I recall, was a more costly plan, a less economic plan, from the perspective of any benefits, but it was a more strongly supported plan by some of the people at the local level.

In order to help us sort out the question of which of the two efforts the Administration would best be in a position to be able to support, we made a decision to take both plans forward at least through the GDM stage so that we could then in the meantime attempt to see if there was any compromise that might be able to be worked out between the two that everyone could support. And that was the essence of the decision, and in any event, then to be in a position at the end of the GDM for the Administration to decide which plan it wanted to support continuing with, if any.

Mr. **Visclosky**. Well, reading this statute that I have in front of me passed by the Congress and signed by the President of the United States, there is no mention of plan 3B. And further, to repeat the language contained in the statute, it says: "Provided that all of features of plan 3A as recommended by and described in the report of the district engineer are included."

Mr. **Doyle**. I understand.

Mr. **Visclosky**. And so the reference in the statute talks about elements in 3A as recommended.

Mr. **Doyle**. Absolutely. And there is no question that that language defines a project which, if it's built, will have to be adhered to or changed in some acceptable fashion.

The question I was addressing went more to the issue how can we go forward as far as we can under the circumstances that we find ourselves currently with budgetary constraints, more projects that we would like to build than we have funds to build, and at the same time be in a position down the road to either go in the direction that you have described or come back and try and persuade you, the Congress, that we need to change those words before the Administration would be able to support building the project.

Mr. VISCLOSKY. Mr. Chairman, I realize you have been very generous with your time. If I could just make a concluding comment, and then I will yield back my time.

I would note for the record that the local sponsors and people involved with the project—and some of them have literally worked on it for 10 to 20 years—have tried to work with the district staff as far as a modification of plan 3A. And I would certainly want to very strenuously note for the record that if there is to be a modification, it should be agreed to by all of the parties. It should be a modification of plan 3A that is acceptable, and again to note that plan 3B stopped short west of the City of Gary, Indiana, and under its original description would essentially flood out a number of residents of the city. And I must state again for the record that I am adamantly opposed to consideration of 3B, and I feel that it is not authorized.

And with that, Mr. Chairman, I will yield back my time.

Mr. NOWAK. I thank the gentleman. And might I suggest that without getting into more detail at this general hearing that, Mr. Doyle, you make some of your staff people available to the Congressman so that they can perhaps go over this in some detail looking at all the options that were described here and perhaps a meeting of the minds could be obtained. But it seems that, as in many projects, there are some variances of opinion done at that district level and where they're going to go. So, we would appreciate your giving the time and the staff to Mr. Visclosky.

Mr. DOYLE. Absolutely, Mr. Chairman. We will clearly do that. And clearly, his leadership on this issue is recognized by all. We are very much aware that he intends to continue to manifest that leadership. And we'll do everything we can to work with him to find a solution to the problem.

Mr. NOWAK. Thank you.

Let me now turn to Guy Molinari from New York.

Mr. MOLINARI. Thank you, Mr. Chairman.

Good to see you again, John.

Mr. DOYLE. Good to be here, sir.

Mr. MOLINARI. I kind of had the feeling that it was nicer to have you behind us rather than in front of us, guiding us rather than answering questions. At the same time I know you are doing a valuable service.

I'm looking at the Senate bill, Senate 2100, and section 305 talks about wetlands. It says the Secretary is authorized as part of the existing wetland research program to conduct wetland research and restoration activities. The first question I have is what today does the Corps do with respect to wetland research. What does that program entail?

Mr. DOYLE. We have a program called the dredge material research program which looks at how we can beneficially use the material that we dredge for the benefit of the Nation. Some of those activities relate to the creation of wetlands. Most of that work is conducted in our laboratories, and the lead role in a lot of that work is down in Mississippi at the Waterways Experiment Station in Vicksburg.

Maybe at this point it would be good for me to let General Sands or Bory Steinberg——

Mr. **Molinari**. That's okay because I think you're answering and leading me where I want to go.

So, what you're saying then, in effect, as a result of some of the dredging activities, you're creating new wetlands.

Mr. **Doyle**. Yes, sir.

Mr. **Molinari**. Now, do you find yourself in a position as a result of any of the Corps work there is a lessening of wetlands in any area?

Mr. **Doyle**. Well, the way you asked the question the answer is yes. There will in some cases be a net reduction for any given project in the amount of wetlands. For another project there may be an net increase. So, there are instances where we have net reductions in wetlands.

Mr. **Molinari**. Now, the question I'm really getting to is what is your interrelationship with other governmental agencies. Example, the United States Navy is building a very large home port in New York. As part of that program, they intended to build larger numbers of new housing which are desperately needed. It's a large State-owned piece of property near the water. Only recently after the Navy got in and looked at the piece of property did they decide it was wetlands. It upset the Navy's plans, and frankly the Navy people had their people study it and said it didn't fit the wetland criteria. Now, would they be able to appeal to you and your agency to assist them in making a determination whether that classification is correct or incorrect, and if so, what would you do in those cases?

Mr. **Doyle**. Ultimately it is our responsibility in the first instance to address the wetlands question under section 404 of the Clean Water Act, as you well know. Those determinations as to what is a wetland and what isn't a wetland are made pursuant to guidelines established by the Environmental Protection Agency called 404(b)(1) guidelines. So, EPA sets the guidelines under the structure of section 404. We follow the guidelines. But where EPA thinks we are not following them properly, they have the opportunity to come on top of us, come behind us, question our call and ultimately if they disagree with us after an interagency appeal process to veto a decision that we reach, it's a very complicated process.

Mr. **Molinari**. My understanding of what happened there was that the Navy worked with the State. They had a disagreement as to what was wetland or not. The Navy, looking at the State's criteria for wetlands, could not agree that under their own definition that they should be wetlands. It has a profound effect on the project itself, the impact of housing needs, et cetera.

You wouldn't know, anybody at the table, whether that project was looked at by the Corps in trying to determine whether the classification of wetlands was correct or not. Correct?

Mr. **Doyle**. Congressman, I don't.

Mr. **Molinari**. Well, rather than bother the committee's time with that, I'd like to ask somebody to check that out for me, and perhaps let me know whether the Corps can play a role in helping to solve that problem. It could do a great service to the Navy in trying to complete that project.

Mr. **Doyle**. We'd be pleased to do that, sir. And as you know, if you remember my background, I'm more than happy to do anything that I can to help the Navy, as well as the Army.

Mr. **Molinari**. Yes, indeed.

[The information follows:]

Mr. **Doyle**. The U.S. Navy has agreed to redesign their housing project to completely avoid all wetlands. Therefore, the Corps would have no further involvement in this project.

Before the Navy made the decision to redesign its project to avoid wetlands, the Corps had one of its most qualified wetland scientists from the Waterways Experimental Station Wetlands Research Team inspect the Navy housing site. Some, but not all, of the areas regulated as wetlands by the state were found to be wetlands under Corps regulatory jurisdiction. All state designated wetlands at the project site are characterized by a species of plant, the common reed, which can grow in both wetlands and uplands. Our scientist made his determination on the basis of root systems. Deeper roots indicated a greater depth to the water table and were not considered wetlands. Areas with shallower root systems indicated a higher water table and were considered wetlands under Corps jurisdiction.

You should be aware that none of the wetlands on site are particularly valuable. Wetlands in the northeastern United States which are characterized by reeds tend to have low ecological value. However, determinations of jurisdiction, under the present statutory framework, cannot take an area's value into account, but must be made on the basis of technical parameters which can sometimes be a matter of "splitting hairs."

Mr. **Molinari**. One last question. Why do you oppose the section 305?

Mr. **Doyle**. Because we don't feel it's necessary. We feel we have all the authority that we need, at least under the current budgetary scenario, to look at wetlands questions.

Mr. **Molinari**. Fine.

I have no further questions, Mr. Chairman. I thank you, John. Good to see you.

Mr. **Nowak**. Thank you very much.

We will turn back to Mr. Grant from Florida who has questions at this time. Mr. Grant?

Mr. **Grant**. Thank you, Mr. Chairman.

Mr. Doyle, I want to tell you as a lifelong resident of Florida that our State has greatly benefited by the projects that the Army Corps of Engineers has completed in the State. It may be a place that couldn't have been habitable had it not been for the Corps in many instances.

We do have a little bit of a problem currently in Florida with—I think it has been a problem for years— beach erosion. And the Corps has been trying to help our department of natural resources deal with beach renourishment. Yet, we still have a few little wrinkles to iron out in how we are trying to deal with our problem.

Over on the Senate side in Senate Bill 2100 I section 213 provides for a little more flexibility on the part of the Corps for working with the various States on placement of dredged materials on beaches. The Corps position is you have no objection to that section.

Mr. **Doyle**. That's correct, Congressman.

Mr. **Grant**. It's a little narrowly drawn, frankly, in my opinion. The problem that we're having in Florida is that we're just not in some instances getting the time in a dredge project, for example, to do the cost sharing with the Corps to get the sand that is beach quality sand put on the beach. And the Corps, because of I suppose its time constraints, is then dumping that beach quality sand in the ocean. And, of course, that's the only sand that we can use to renourish those beaches. And it's such a vital resource for Florida, for the country, that we want to do everything we can to try to get it back there.

I guess part of the problem is the way that you are authorized to do projects, you have a single authorization mode of doing business. And beach renourishment is not really necessarily a part of that authorization.

My question to you basically is do you think that there is anything that we can do to tighten that up a little bit so that the State gets more time, other than the broad, general, flexible statement that's in Senate Bill 2100.

Mr. **Doyle**. There may be, sir. I know one thing that we are currently doing internally in the Corps is moving toward an out-year dredging program that has a three to five year horizon to allow the States and others who have an interest in not just the dredging but what happens with that material to be able to plan ahead and make decisions as early as possible. So, that's one thing that we're doing. I'm not sure what more might be possible, but we would be glad to react to any ideas you have and work with you to see what might be acceptable.

Mr. **Grant**. If it's agreeable with the Chairman, I would like to propose, for the sake of the time constraints that we have this morning, to do that and just work with the Corps on some of the increased cost provisions on 426(j) and a few others. And if I contact your office, you'll put me with the right people?

Mr. **Doyle**. Yes, sir.

Mr. **Grant**. Thank you, Mr. Chairman.

Mr. **Nowak**. Thank you, Mr. Grant. We appreciate your assistance on all of these inter-party problems, John.

Let me now turn to Congresswoman Johnson from Connecticut.

Mrs. **Johnson**. Thank you, Mr. Chairman. And welcome back, though in a different capacity. It's a pleasure to know that the person who has had so much hand in helping us shape the laws is now also helping to implement them.

Mr. **Doyle**. Thank you, Mrs. Johnson.

Mrs. **Johnson**. My concerns go to the wetlands sections as well, and I wonder if the Corps could review for us what you are doing to develop the science of wetland mitigation and if there has been any change in your policy in regard to allowing mitigation.

Mr. **Doyle**. As I mentioned, we do have our research program. We are also working with the Environmental Protection Agency to try and refine our mitigation practices to make them more closely track the practices of EPA. Currently the two agencies are testing field mitigation manuals. At the completion of that test, we hope to get together and be able to resolve any differences that may have been identified so that we can make sure that the two agencies are moving hand in glove more than they have in the past.

Mrs. **Johnson**. Is part of your research looking in greater depth at the quality of artificial wetlands that we've developed the processes to create? In other words, there have been some very fine proposals for artificial wetland development as one approach to mitigation. They have been fairly controversial in my limited experience. And I wonder if you or EPA or the two of you together are looking at those models and coming closer to some determination of how acceptable that course of action is going to be.

Mr. **Doyle**. We are currently looking at the question. I personally believe that we have only scratched the surface in terms of the potential that exists to address national wetlands problems through artificial creation of wetlands.

One of the biggest problems that we have is not having analytical tools that help us answer the kinds of questions of species replacement. If there's a decrease, if there's a loss in one area, but a benefit or an increase in another area, how do you offset those? How do you measure one against the other? It is really, I believe, a nascent area of study and knowledge, but I think it's one that is definitely worth pursuing.

Mrs. **Johnson**. Well, I am particularly interested in the Corps' activities in these areas and particularly in your research work and evaluation of artificial wetlands projects. We do get the sense in Connecticut, where we don't need many new highways, but we do need some new highways, that the Corps is generally unwilling to look at the issue of the quality of the wetlands that highways must traverse and differentiate between wetlands of rather low quality and wetlands of high quality and the option of mitigation. There are large areas of my State that are so laced with wetlands, many of them very low quality wetlands, many of them areas that nobody considered wetlands before the Federal Government decided they were wetlands that it makes highway development, that small amount of development still needed, very difficult.

Furthermore, it appears to me that the Federal Government, not just the Corps, but the Corps first is pressuring us to expend large sums of money for highway building for projects that we know we will outgrow in three to four years. I mean, they are not rational from the transportation point of view. And it does seem to come back to a mind-set that is beginning to settle in at the Federal level. And I don't know whence the sources of this come, but a mind-set that says lousy natural wetlands are better than high quality mitigated, artificially created wetlands is one I simply don't agree with.

And if the Corps is moving in that direction, I sure would like to know it. I would like to have some information about your research work that might indicate to me some aggressive involvement in the issue of evaluating mitigation efforts.

Mr. **Doyle**. Congresswoman, you're asking all the right questions. I will get you the information that you're asking for.

I need to tell you that it won't surprise me to find out that we're not moving as fast as you might like us to. As you know, there are others on the other side of the issue that would have us not move at all. And ultimately, our responsibility is to act in the public interest to try and somehow strike the appropriate balance between all of the competing needs that have to be addressed, all of the competing interests that have to be analyzed, and then make the best public interest decision that we can. If we're not doing that, then we need to fix it.

Mrs. **Johnson**. Thank you. And I look forward to receiving that information from you and possibly working in more detail on the project that I have in mind. I do consider those responsibilities to be mine as well. However, my perspective is slightly different, and my deep concern is that agency-specific points of view not be allowed to override other agencies' equally specific and valid points of view. And I look forward to working further with you on this issue.

And thank you, Mr. Chairman.

[The following was received from Mr. Doyle.]

The Corps of Engineers has always taken the position that wetlands differ in the functions they perform and, therefore, the values they provide to society. The Corps will continue to take these values into account when they evaluate permit applications. However, you should be aware of some current problems, particularly in the New England area.

First, there is a public perception that all wetlands are valuable, making many projects inherently controversial. The Corps coordinates permit applications with the Federal and state resource agencies, and the general public, in order to identify impacts and to provide an opportunity to resolve any concerns for the project.

Second, there is a growing misconception, based largely on misinformation, that wetlands cannot be successfully constructed, and that constructed wetlands are not as valuable as natural wetlands. In some cases, this is true. There are certain types of wetlands that cannot be artificially established, either because we do not know enough about them or because, from a practical perspective, they would just be too difficult to establish and monitor. However, our own experience with certain types of wetlands has generally been good. I have attached some literature on this subject.

As for whether constructed wetlands are as valuable as natural wetlands, we consider this to be an esoteric question since no two natural wetlands function in the same way or are equally valuable. A recent publication, "Mitigating Freshwater Wetland Alterations in the Glaciated Northeastern United States: An Assessment of the Science Base", has been cited as support for the position that "artificial" wetlands do not function the same way as natural wetlands. However, a closer reading of the individual papers provided in this document indicates that functional differences exist in natural wetlands. When constructing wetlands, we can at least include those features we know are important for providing certain functions. These features are not always present in natural wetlands.

The controversy over the uncertainty of wetland has been particularly strong in New England, surfacing in response to a permit application for a shopping mall in Massachusetts and several permit applications for fills in wetlands associated with highway projects in Connecticut. To some extent, this is justified, particularly with the highway projects. In one case, the Connecticut Department of Transportation constructed the required wetland areas on their own property in the vicinity of construction staging operations. Those areas constructed a year to several months prior to completion of construction of the roadway were successful, largely because the presence of machinery and personnel discouraged unauthorized entry to the property. Once the staging operation left the area, all-terrain vehicles (ATVs) started entering the property and disturbing the substrate, preventing successful establishment of vegetation. The Department of Transportation was not able to preclude ATVs from the site, and New England Division has since been reluctant to issue permits on the basis of such mitigation. Many failures in wetland establishment are the result of such practical problems, rather than the technical uncertainty.

Two other problems, involving disagreements with several Federal resource agencies, have become a source of difficulty in the permit program in the last few years. The disagreements include whether or not the Corps is required to sequentially consider the various forms of mitigation, i.e., avoidance, minimization, rectification, reduction and compensation, when making its determination of whether a discharge complies with the 404(b)(1) Guidelines. This issue is important because the Guidelines require the Corps to deny a permit for a discharge if there is a practicable alternative that would have less adverse impact on the aquatic environment. In essence, an alternative provides the means to "avoid first". Compensation, however, can negate the adverse impacts of a discharge, affecting the assessment of whether or not there are alternatives with "less adverse impact". The Corps does not think the language of the existing regulations requires avoidance first. However, from a practical perspective, avoiding a wetland area is often easier and less expensive to the applicant than constructing a new one, even if it means settling for an engineering or economically inferior alternative.

In summary, the Corps has done extensive research in wetlands values and in constructing wetlands, as the attached literature reflects. In addition, the EPA is currently compiling a collection of papers reflecting experience in wetlands construction throughout the U.S. that should be ready this fall.

If you would like, we could arrange a briefing for you on the status of the Corps wetland research.

Mr. NOWAK. Thank you, Mrs. Johnson.

I turn now to Mr. Gallo from New Jersey.

Mr. GALLO. Thank you, Mr. Chairman.

It's good to have you back, John.

Mr. DOYLE. It's good to see you, sir.

Mr. GALLO. Earlier, you mentioned user fees. Is there anything different about the user fee program as proposed by the Administration, than as adopted in the 1986 Water Projects bill? Is there a change in current law that you're recommending?

Mr. DOYLE. It's the same basic program that we have recommended in the past. I would have to go back and do a side-by-side analysis to be able from a technical perspective to answer that definitively, but it's the same basic approach that we have taken.

Mr. GALLO. One subject that does not affect my district, but is very important to the State of New Jersey is the Hackensack meadowlands authority. We have a large reclamation going on there that not only preserves wetlands, but upgrades them. The Hackensack Meadowlands had been abused for many, many years, and the State of New Jersey through its HMDC commission has had an aggressive program in turning that particular site back to a usable site state. In fact, Waterfowl, fish and crabs have been restored to the area.

But they have been working for some time now on an overall development plan, which has been battered back and forth between the Corps and EPA. This is a long-term plan as to what the development would be. And it seems that every time the HMDC comes up with a plan, the Corps, or the EPA claims that other alternatives are available and should be used.

Now, I think if we look at this in a practical sense, in almost any case there is an alternative. The Hackensack Meadowlands Commission has not issued a permit in five years, yet there are many individuals who are willing and anxious to build in that area with a substantial contribution to environmental projects that will not only beautify that area but clean up serious problems that still exist.

Is there a way to resolve this conflict? It seems that between the EPA and the Corps there is conflict and that has not been resolved. As a consequence we have a very important area in the State of New Jersey that has not been able to move forward with an environmentally-sound development plan.

So, my question is, first of all, are you familiar with the project? And second, is this problem something that is unique? Or is this conflict over wetlands development happening throughout the United States.

Mr. DOYLE. First, I am generally familiar with the project, but I am sure by no means in as detailed a way as you are. And secondly, I wish I had a different answer for you on your question of uniqueness. You are not unique.

It is true that while we agree with EPA far more than we disagree—and I think the numbers will bear that out conclusively—there are instances where the two agencies disagree. The questions of alternatives analysis is one area where those disagreements often manifest themselves. I'm committed to do everything I can to work with my counterparts. I know Mr. Page feels the same way, and I know the people at this table feel the same way to try and work with EPA wherever we can to resolve those problems. But they're not unique.

Mr. GALLO. I have one more question. Has the Corps sat down with EPA and the principals involved to try to work this out—because from what I gather—and I had a meeting just last night with the members of the Hackensack Meadowlands Commission—they have indicated that they have had a great deal of difficulty getting the Corps and EPA together so that they can discuss this problem and try to come up with a compromise. Would it be an extraordinary situation to get both agencies together with the principals to discuss it?

Mr. DOYLE. Not at all. In fact, from my perspective, it's something that needs to happen if it isn't happening already. I will go back, look into the situation, and if it hasn't happened, try and make it happen.

Mr. GALLO. Thank you.

Mr. NOWAK. Thank you, Mr. Gallo.

Perhaps on that problem too you could look and maybe give the committee the benefit of your analysis of how we can bridge that gap that has appeared if that case is not unique. What kind of a mechanism perhaps could we use to bring the parties together after some period of time goes by without a resolution of a particular problem instead of letting it run out a number of years? If there were procedures or interagency cooperation and meetings or some type of a process where we could start to resolve these, I think problems like Mr. Gallo's and others throughout the country could be resolved much faster to the satisfaction of all instead of waiting for constituents to call Mr. Gallo and say it's impossible and nothing can be done. Perhaps we should look at that, John.

Mr. DOYLE. We certainly will. We do have a number of memoranda of agreement with our sister agencies to attempt to help us deal with the interagency coordination problem a little bit better. We probably can do more in that area. We'll have an opportunity next month to really focus on the question of the 404 program with the committee, the Investigations and Oversight Subcommittee, and that will provide us another opportunity to get into some of these details with you. But we'll look at the specifics, sir, and get back to you.

[The information follows:]

The Corps is participating with the U.S. Environmental Protection Agency, the U.S. Fish and Wildlife Service and the Hackensack Meadowlands Development Commission in an Advanced Identification of sites suitable and unsuitable for discharge under 40 CFR 230.80. (40 CFR Part 230 contains the 404(b)(1) Guidelines.) The information provided by this process will be used in the development of a special area management plan (SAMP) for the Hackensack Meadowlands. The Corps would like to develop a joint abbreviated processing procedure for state and federal permits in the Meadowlands, based on this plan. The Corps may also want to develop a regional general permit based on this plan. However, progress on the SAMP, the abbreviated processing procedure and the general permit has been slow, because of controversy over how to handle the alternatives analysis required for discharges of dredged or fill material into waters, including wetlands, under the 404(b)(1) Guidelines (40 CFR 230.10 and 230.12). These guidelines require the district engineer to deny a permit when he determines practicable alternatives exist that would have less damage on the aquatic environment. The Guidelines (40 CFR 230.5) relax this requirement for general permits. However, the resource agencies with which the Corps coordinates and other environmental interests generally resist issuance of general permits because they would prefer to see a case-by-case review of alternatives for discharges into wetlands.

The Corps has participated in SAMPs in several other areas of the country. Vicksburg and Alaska Districts have had the most success. The major difficulty in such a process is getting development and enviromental interest to reach a compromise on how specific parcels of land should be classified for use, how alternatives will be handled, etc.

Mr. NOWAK. Thank you.

Mr. Hastert from Illinois?

Mr. HASTERT. Thank you, Mr. Chairman.

I just might question before I really get into the line of questioning that down here where the members from the midwest sit, our water jugs are empty. I just wonder if that's a message that the Corps is trying to send to us.

Mr. DOYLE. No, sir, it is not at all. We took so much to heart your hearing of a year ago about the high water levels at Great Lakes that maybe things have gone a little bit too far here. We'll see if we fix that one.

Mr. HASTERT. Fine. We have a drought this year.

So, anyway, I'm interested in coming back on the wetlands thing and giving you a little history. You know, especially in the heartland of the midwest and northern Illinois that I represent, there is a word we used to call "slew" which meant wetland. And, of course, when John Deere invented the plow and they started turning that ground over, the first thing they did was to drain that. And all of a sudden the cattail was almost an extinct species of plant in our area. But we have found today—and especially as it is a growth area—that our aquifers are being depleted and those old slews and the wetlands that we still have left are really the recharge areas. And even though we would like to restore some of those recharge areas—and I understand there is language in that Senate bill to look at some of those areas to do that. What is your view or what's your position on those recharges? Or what jurisdiction do you have over those?

Mr. DOYLE. First, Congressman, I grew up on the south side of Chicago. We used to call those things swamps the way I remember it.

Mr. HASTERT. On the south side of Chicago they were swamps.

Mr. DOYLE. That's right. That's true. In fact, if I remember, the origin of the name "Chicago" it means bad smell coming from the swamps in an Indian dialect of some sort.

We do, in fact, have jurisdiction in two arenas. Generally when we talk about navigable waters, we have jurisdiction to look at what happens in those waters. And in some cases, the kind of thing that you're describing satisfies that test. Under section 404 of the Clean Water Act, the Corps of Engineers, as we were just talking about, is tasked with the responsibility to regulate the use of dredging and filling in navigable waters, and that basically means wetlands.

Mr. HASTERT. Then how about just the recharge areas, those naturally occurring wetlands that really aren't in the navigation streams but are next to streams and are the beginning of creeks and things like that that we know of? Are you responsible for those recharge areas too?

Mr. DOYLE. Yes, sir, by and large we are by virtue of the scope, the reach, of the terminology in section 404. The term "waters of the United States" in section 404 picks up virtually all of the kinds of things that you're thinking of.

Mr. HASTERT. So, in this situation where you not only have then surface waters, but you in these aquifers or recharge areas—are recharge areas for aquifers. We covered up some of these or drained some of the old slews. But we also dug gravel pits and things like that that tend to be recharge areas.

Mr. DOYLE. I need to make it clear that our jurisdiction relates to the surface water aspect of the entire recharge problem. If there's a recharge aquifer that does not have the wetland aspect about it, unless we have some specific statutory authority over that area, we probably don't have jurisdiction.

Mr. HASTERT. But specifically when you have a recharge area that has surface water and groundwater commingled, that certainly is within your jurisdiction, isn't it?

Mr. DOYLE. At least insofar as regulating the dredging or filling in that area.

Mr. HASTERT. Well, as you know, in my previous testimony we have a unique situation. I have nine counties, and five of those counties which are really under kind of a drought—and our shallow wells are being depleted right at this hour. And the deep aquifers go through an area called the Elgin Rift, and there's a great amount of radium. I don't know if it's a great amount, but at least more than EPA says we ought to have in our water. We use the shallow wells then to mix and blend to keep the balance. That's one of the techniques of keeping radium so 45 of my communities have drinking water.

And we're being really challenged at this time with landfills or bale fills being put in these mixed surface water/groundwater aquifers. And so, when you look at that type of licensing, I understand the EPA—in Illinois it happens to be IEPA—comes in and then you're secondary. What things do you consider? What are your considerations to siting determinations involving aquifer recharge areas?

Mr. DOYLE. I'll hit the highlights and then ask either General Sands or Dr. Steinberg to comment a little bit further.

Our decision is reached only with respect to someone coming forward with a situation, a fact pattern, that involves the disposal of dredged or fill material in that wetland. If we're talking about any other activity, we don't have the regulatory handle under 404 that we do if there's disposal of dredged or fill material.

But let's assume this fact pattern, that we have one of these wetlands where a municipality or a State wants to construct a landfill that involves the deposition of material in a wetlands. We would evaluate that permit application from the perspective of the public interest. We would look at the benefits to be gained from having a place where solid waste could be properly located and disposed of. And we would counterbalance against that any environmental damage that might be done, any threat to groundwater aquifers. And we would not do that alone. We would do that with the Environmental Protection Agency.

Mr. HASTERT. Well, as I understand it, the sequence in siting is the EPA is there first and you're in there second as far as the sitings. So, you can come back and still cooperate with the EPA as far as that siting goes?

Mr. DOYLE. Yes, sir. That's my understanding of the situation.

Mr. HASTERT. What do you have in your language or rules that specifically protects a wetland above an aquifer? What assurances is there that the Corps will consider potential impacts of groundwater before issuing a section 404 permit? Are there some protections in there? Do you have rules and regs that specifically state that?

Mr. DOYLE. Yes, sir. The 404(b)(1) guidelines set the rules in terms of establishing criteria that must be considered in the permitting process. Those are EPA established 404(b)(1) guidelines.

Mr. HASTERT. To what extent does the Corps coordinate with the U.S. Geological Survey in assessing proposed impacts on groundwater supplies in wetlands?

Mr. DOYLE. When we are involved in a permit decision, we ask for public comment with respect to the requested permit. That provides an opportunity for USGS if we have not already interfaced with them on the question to come forward, provide information, and react to any technical situation, problem, that they may be aware of.

Mr. HASTERT. Is there any consideration when there is a natural impurity, if there is such a thing? But in this particular case, radium or barium or these things that naturally occur in water—if those deep water aquifers have this impurity in them and the shallow aquifers are subject to being—had landfills stuck in them or bale fills or whatever, but they are needed in that area to blend this water. Is there any protection of those commingled groundwater/surface water type aquifers which are really gravel pits that were dug around the circumference in our area for years?

Mr. DOYLE. I believe the answer is yes. I'll confirm that for the record.

[The information follows:]

Whenever the Corps considers a permit application, it considers the potential environmental impacts of a proposal in its public interest review. Such impacts would include the potential for groundwater contamination through construction and operation of the activity to be permitted.

However, in order for the Corps to evaluate such impacts, there has to be discharge of dredged or fill material within the Corps jurisdiction. Waterfilled depressions excavated in dry land incidental to construction activities and pits excavated in dry land for the purpose of obtaining fill, sand, or gravel are not "waters of the U.S." for regulatory purposes until the construction or excavation operation is abandoned. Once these operations cease and the resulting body of water meets the definition of waters of the United States in 33 CFR 328.3(a), the discharge of dredged or fill material into it are subject to the Corps regulatory program. Even where the area is considered a water of the United States, there are activities, involving discharges of pollutants other than dredged or fill material, that could occur outside the Corps authority under Section 404 of the Clean Water Act.

Mr. **Hastert**. I would like to see that. That's something that I would like to have personal contact on too. It's of great concern.

Thank you, Mr. Chairman, and I appreciate the full jug here.

Mr. **Doyle**. Mr. Hastert, before you leave, let me call to the attention of the committee a debate that we currently have with the Environmental Protection Agency over the best way to deal with landfill problems. From our perspective, I think we would prefer to see those kinds of problems dealt with under the RCRA authority, and outside of section 404. RCRA is the Resource Conservation and Recovery Act of 1976 that set up a regulatory scheme for dealing with hazardous wastes, solid wastes. We feel that's the most appropriate place to deal with landfill siting problems, as a general rule.

Mr. **Hastert**. But you understand that certainly a resource that you're dealing with here and that I'm interested in—and that's the wetlands and the recharge for the aquifers—certainly at least in my area are a very precious resource and it's a resource that we need to be able to preserve.

Mr. **Doyle**. Absolutely.

Mr. **Hastert**. Sometimes as elected officials we become the stewards of those types of resources, and we need to pursue any avenue that we can. And certainly right now you're one of those avenues. And I appreciate your comments and look forward to working with you on this.

Mr. **Doyle**. And we consider ourselves to be stewards of the same resources and attempt to make decisions in that light. And it's with that perspective that I make the comment that we do. We think that the best way to have the Federal Government operate as stewards of those resources, at least with respect to landfill siting, is through the Resource Conservation and Recovery Act permit program.

Mr. **Hastert**. Thank you, Mr. Doyle, and again thank you, Mr. Chairman.

Mr. **Nowak**. I wonder, John. We still haven't been called to the House yet. We still have a few minutes at this point. If there are no further questions on the general material, we would proceed with your site projects.

Mr. **Doyle**. We'd be happy to.

Mr. **Nowak**. And we can finish up any other questions after your presentation.

Mr. **Doyle**. Yes, sir.

General Tommy Sands.

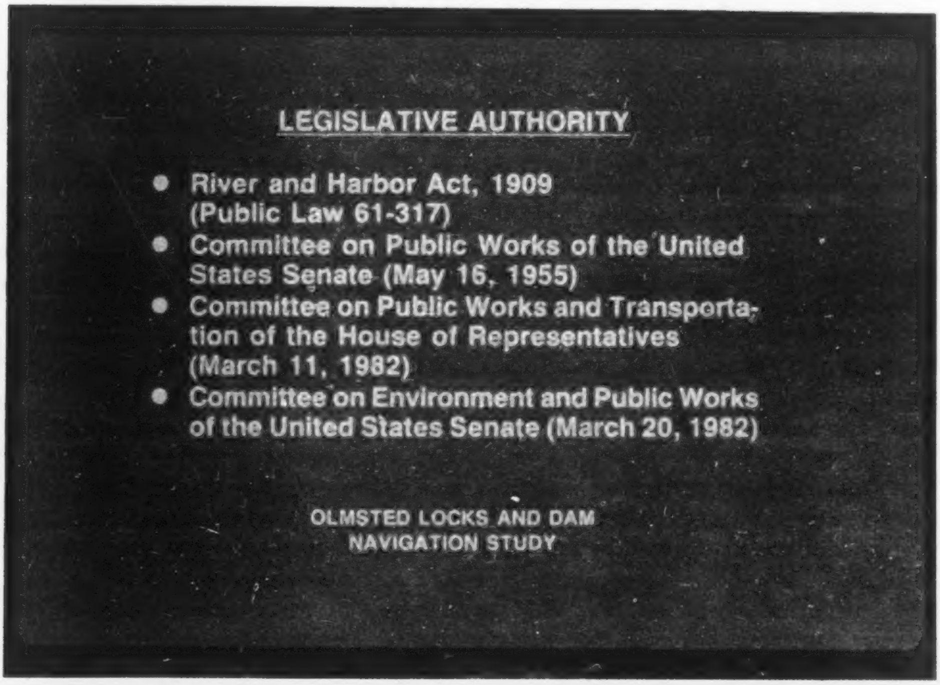
General **Sands**. Thank you, Mr. Chairman, members of the committee. I am Tommy Sands. I'm Acting Director of Civil Works. Dr. Steinberg on my right has already been introduced to you. On Mr. Doyle's far left is Mr. Jim Davidson who is the Assistant Chief of our Planning Division.

My purpose here this morning is to provide a very brief summary to you of our 18 water resources projects recommended in feasibility reports for which we have a final Chief of Engineers report. I will go through a very brief slide presentation on all 18 projects. The first six of the projects that I will be discussing are those that Mr. Page testified to as being supported by the Administration. Following those I will discuss the 2 projects which the Administration does not support, and then the 10 projects on which the Administration has not yet completed review and as a result of that, does not support.

[Slide presentation.]

General **Sands**. All of these projects have satisfied the NEPA requirements for the current report status. For all proposed flood control projects, the area to be protected is participating in the flood insurance program and, in addition, all plans recommended are the national economic development plan.

As I said, I will give you a very brief summary of the project. As you notice, green books have been provided on each of the projects, which are very detailed. As I go along, if you have specific questions on any of the projects being covered, feel free to interrupt. At the conclusion of the 18, then we will be happy to address any general questions or project-specific questions.



LEGISLATIVE AUTHORITY

- River and Harbor Act, 1909 (Public Law 61-317)
- Committee on Public Works of the United States Senate (May 16, 1955)
- Committee on Public Works and Transportation of the House of Representatives (March 11, 1982)
- Committee on Environment and Public Works of the United States Senate (March 20, 1982)

OLMSTED LOCKS AND DAM
NAVIGATION STUDY

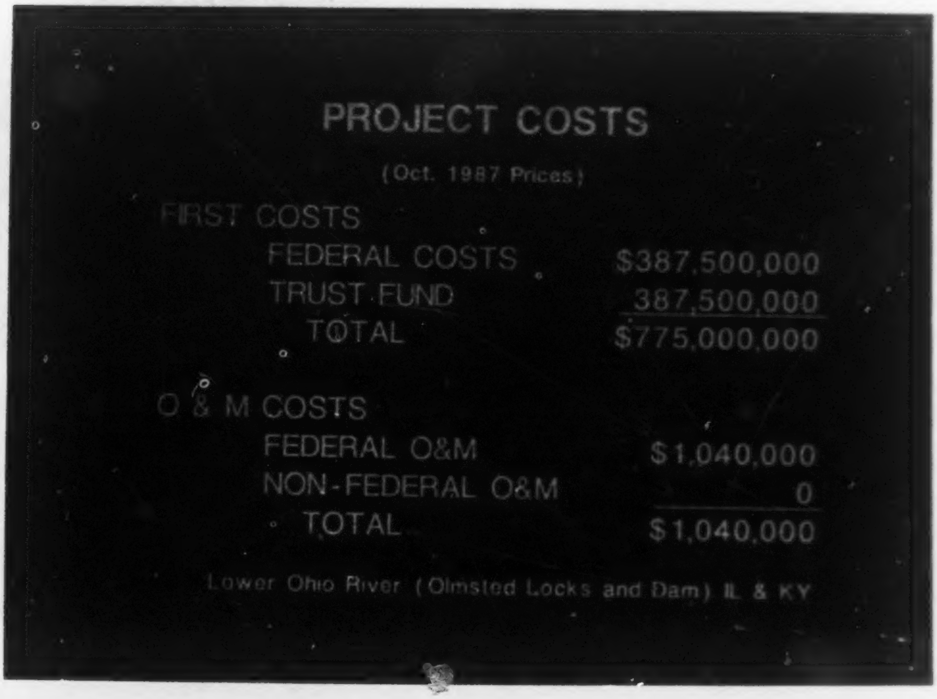
The first report covers the replacement of locks and dams 52 and 53 on the Ohio River in Illinois and Kentucky. This report is in response to the resolution as shown on the slide. The report is currently with the Congress.

Locks and dams 52 and 53 are located on the Ohio River approximately 42 and 18 miles, respectively, above its confluence with the Mississippi River. These two projects are the gateway to the navigation system of the Ohio River Valley, as well as the Cumberland and Tennessee Rivers. Traffic through these two projects has grown more rapidly than in the remainder of the overall Ohio River basin.

Commercial barge traffic has increased more than fivefold since 1956 to about 84 million tons in 1986. We expect the waterborne traffic passing these projects to continue to increase in future years.

We are recommending for authorization at this time the construction of a new lock and dam to replace the existing locks and dams 52 and 53. The new structure will include twin 110 foot by 1,200 foot long locks adjacent to the Illinois bank, a spillway section controlled by tainter gates, and a 1,120 foot wide navigable pass controlled by drum gates and a fixed weir extending to the Kentucky bank.

The recommended project will be located about 17 miles above the confluence of the Mississippi and Ohio Rivers near the community of Olmsted, Illinois.



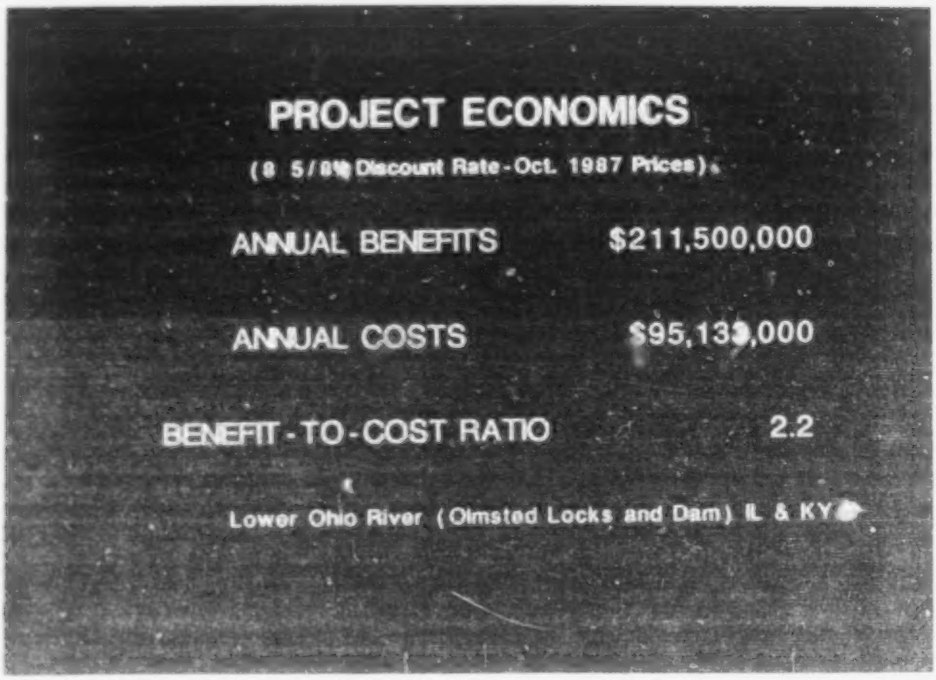
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$387,500,000
TRUST FUND	387,500,000
TOTAL	$775,000,000
O & M COSTS	
FEDERAL O&M	$1,040,000
NON-FEDERAL O&M	0
TOTAL	$1,040,000

Lower Ohio River (Olmsted Locks and Dam) IL & KY

Costs associated with this project are shown on these slides. The estimated first cost of this project is approximately $200 million higher than what was reported in the chief's report. This increase reflects major design changes in the locks and dam and less significant changes in roads, channels and canals. One-half of the cost as shown there would be borne by the Federal Government, and the other half would be borne by funds from the Inland Waterway Trust Fund.



PROJECT ECONOMICS

(8 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$211,500,000
ANNUAL COSTS	$95,13[illegible],000
BENEFIT-TO-COST RATIO	2.2

Lower Ohio River (Olmsted Locks and Dam) IL & KY

Annualized benefit and cost data are shown on this slide.

The States of Illinois and Kentucky, local governments and navigation and labor interests support the project.

The next project is a flood control project in the vicinity of Hazard, Kentucky.

Mr. NOWAK. General, just before we leave that first project with the cost of $775 million, you've analyzed the cost-benefit ratio and came up with 2.2 to 1. This project joins into the Mississippi, but the lock and dam will be above that joinder. Is that correct?

General SANDS. That's correct, sir.

Mr. NOWAK. The product then, as you went through your cost benefit, I take it was mainly derived from the benefits of shipping to that point along the Ohio River rather than any cost benefits which would be derived from goods coming down the Mississippi.

General SANDS. That's correct, just the traffic that would be expected to pass locks and dams 52 and 53.

Mr. NOWAK. And what kind of goods in the main are shipped down to that point where they converge on the Mississippi?

General SANDS. Sir, those would basically be coals and grain. Those are the two major commodities.

Mr. NOWAK. Coal is shipped down the Mississippi I take it to the mouth and then out to foreign countries?

General SANDS. Yes, sir. It would, of course, service utility industries and other industries up and down the river. It would be going for export.

Mr. NOWAK. Does the detail that you have supplied have the amount of goods that would be shipped overseas to foreign countries?

Mr. Davidson. I don't think so, sir. We would have to provide something like that for the record.

Mr. Nowak. We would be interested just to look at this in terms of our overall deficit in trade that I think would be a beneficial aspect of this project.

I was wondering if that played any part in your consideration of that cost-benefit ratio.

Mr. Davidson. The benefits come from reduced transitting time for the old and inadequate locks. However, the future projections of commerce which, as the General said, were mostly coal and coke, petroleum and chemical products—primarily the downbound is coal and coke and petroleum products. The projections would be influenced certainly by future trade and export activities.

Mr. Nowak. Well, I think it's very important that the maximum economies here are put into the system which enables us to compete in the worldwide economy. And I think this would be one of those kinds of projects that really would have an impact on the final cost of those goods going down through the system by barge rather than truck or train and thereby making that product more competitive in the world market.

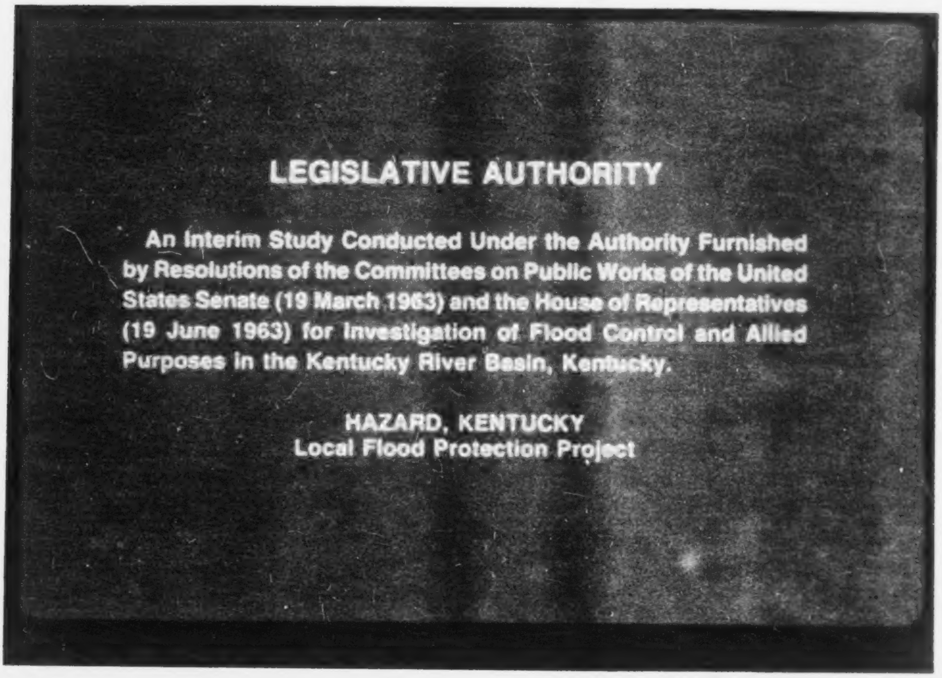
And if you had that detail, if you could submit it for the record, I think the members, when we go to the House floor, would be interested in the aspect of world trade rather than intertransfer here throughout the country on these projects. Maybe as we go through these, all the other projects, if there is that kind of an impact—and I think there are on several others—that we note that for the record. And I certainly think I'll make that part of my presentation to the full House when we take this bill to the floor.

[The information received from Mr. Davidson follows:]

Project	Commodity	Origin/Destination	Overseas 1,000 Ton
Fort Pierce	Aragonite	From Bahamas	
	Fresh Citrus	To Japan	36
Port Sutton	Phosphate prod.	To Asia/Mid East	2,460
	Phosphate prod.	Europe	1,360
Wolf & Jordan	Prestressed con.	Domestic	
	Steel Sheets	Domestic	
Delaware River			
Schuykill Riv.	Grain	Europe/ Mid & Far East	3,450
	Petro. products	Import & domestic	
Beckett St. T.	Coal	To Korea	350,000
	Scrap	To Far East & Europe	343,459
	Titanium slag	From Canada	
	Iron ore	From Sweden	
	Gypsum rock	From Canada	
	Lumber	From Canada	
Olmsted IL & KY	Coal*	To Taiwan, Japan, Western Europe	9,492
	Grain*	To Japan, Western Europe, USSR	7,462
	Alumina	Import	
	Steel	Import	
	Iron ore	Import	
	Ferro Alloys	Import	
Guadalupe River	Sand & gravel	Domestic	
	Chemicals	Domestic	

* Tonnages shown here are the export tonnages only. Total tonnages are: coal, 38.5 million tons and grain, 11.1 million tons.

Mr. Nowak. Thank you very much, General. Please go ahead.



LEGISLATIVE AUTHORITY

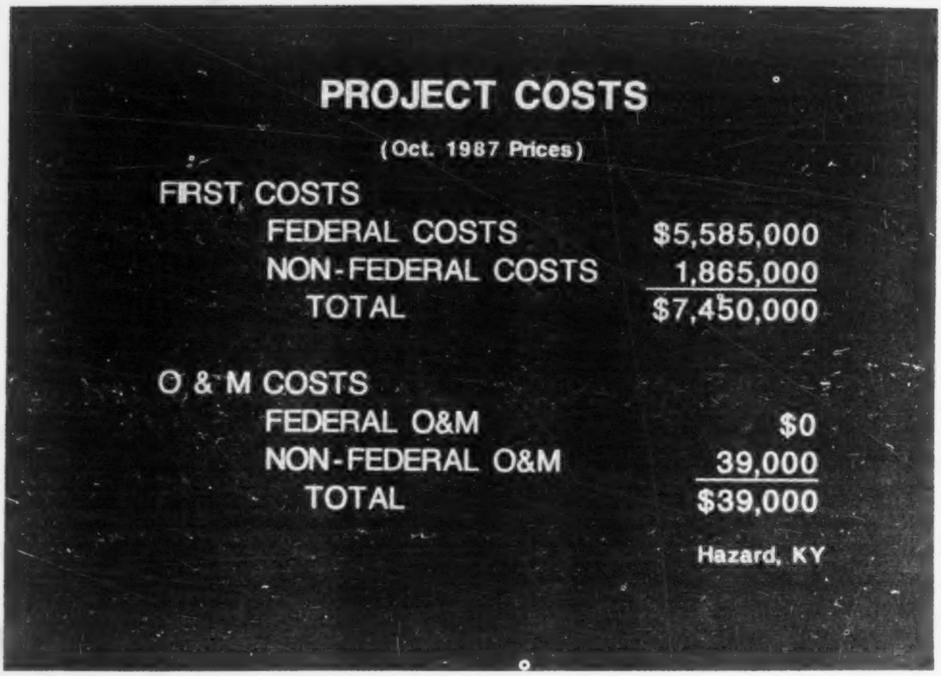
An Interim Study Conducted Under the Authority Furnished by Resolutions of the Committees on Public Works of the United States Senate (19 March 1963) and the House of Representatives (19 June 1963) for Investigation of Flood Control and Allied Purposes in the Kentucky River Basin, Kentucky.

HAZARD, KENTUCKY
Local Flood Protection Project

General Sands. The next project is the flood control project in the vicinity of Hazard, Kentucky. It involves improvements on the north fork of the Kentucky River. It is in partial response to the authority shown here, and the report currently rests with the Congress.

The area investigated in the report is a 14 mile reach of the Kentucky River in Perry County in eastern Kentucky.

Flooding is the major water resource problem in the area as evidenced by the floods of 1963 and again the same area in 1984. The floods are characterized by high velocities, short durations and extreme depths. The 1957 flood event was the flood of record and resulted in five deaths. A recurrence of that particular event, the 1957 event, at this time would result in damages estimated to exceed $60 million. We are recommending for authorization at this time a plan consisting of channel widening along about a 5.9 mile stretch of the river, and this plan would provide 6 to 25 year frequency protection depending upon the project reach and would reduce stages for all floods.



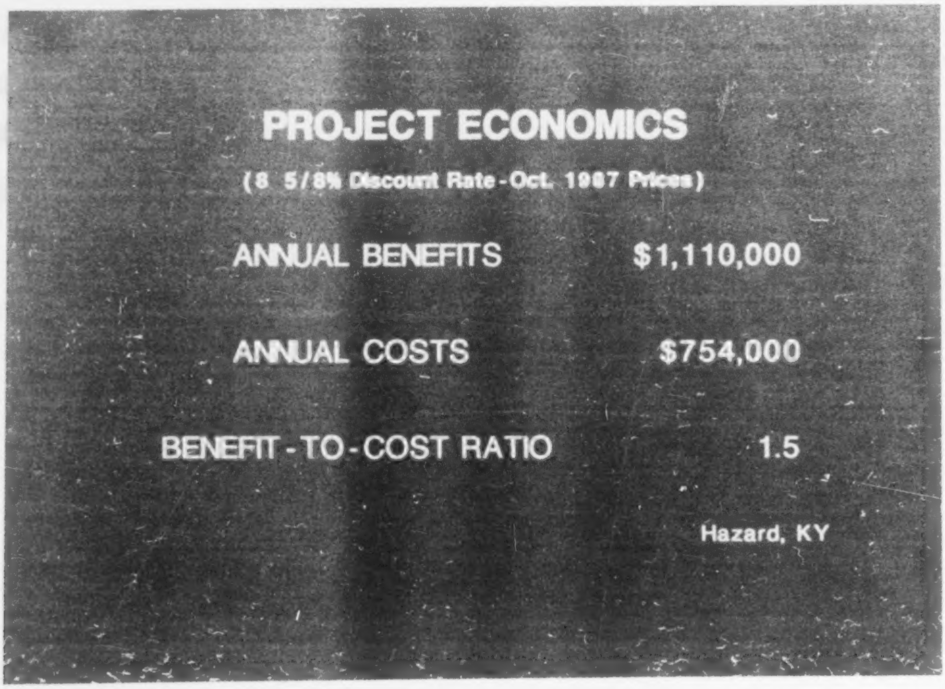
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$5,585,000
NON-FEDERAL COSTS	1,865,000
TOTAL	$7,450,000
O & M COSTS	
FEDERAL O&M	$0
NON-FEDERAL O&M	39,000
TOTAL	$39,000

Hazard, KY

The first costs and O&M costs associated with the project are shown here.



PROJECT ECONOMICS

(8 5/8% Discount Rate-Oct. 1987 Prices)

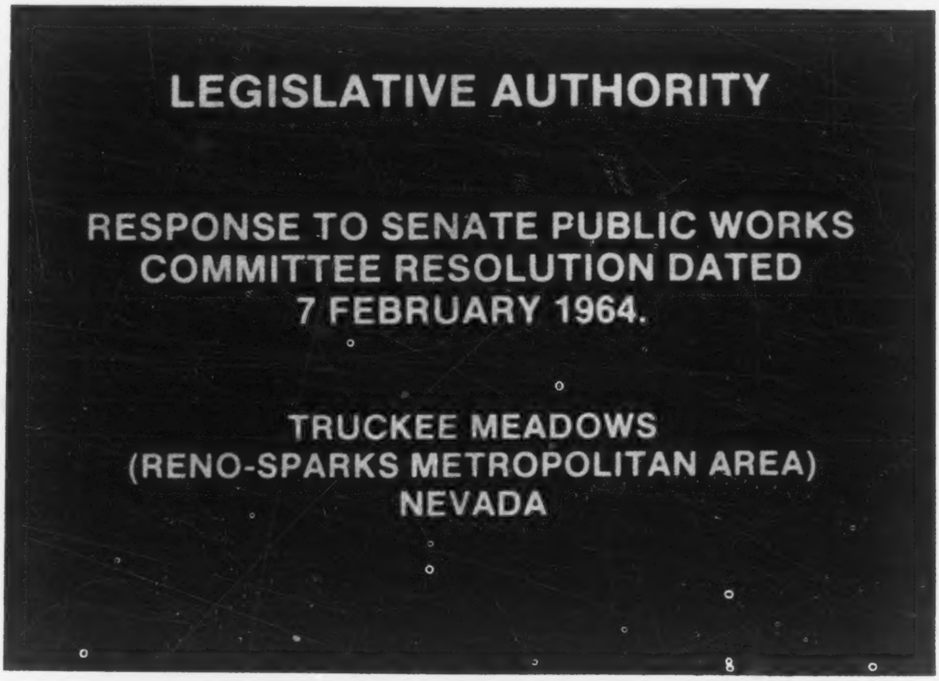
ANNUAL BENEFITS	$1,110,000
ANNUAL COSTS	$754,000
BENEFIT-TO-COST RATIO	1.5

Hazard, KY

The annualized benefit and cost data are shown here.

The State of Kentucky and various Federal agencies concur with this report.

The next project is Truckee Meadows in the Reno-Sparks metropolitan area.



LEGISLATIVE AUTHORITY

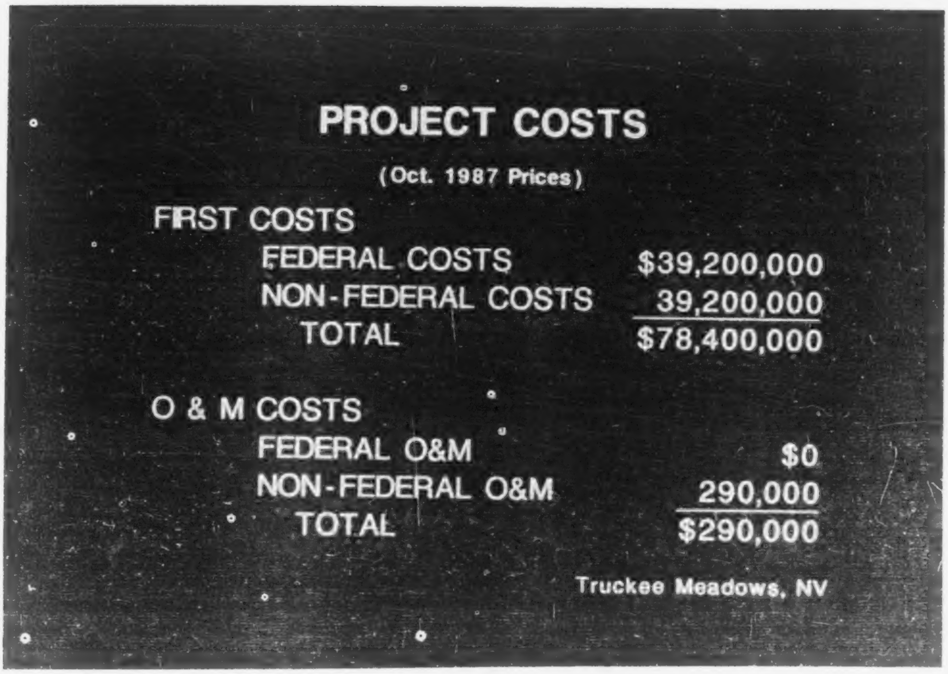
RESPONSE TO SENATE PUBLIC WORKS
COMMITTEE RESOLUTION DATED
7 FEBRUARY 1964.

TRUCKEE MEADOWS
(RENO-SPARKS METROPOLITAN AREA)
NEVADA

This report is in response to this legislative authority shown here. The Secretary transmitted this report to Congress in December of 1987. The project is in Washoe and Storey Counties, Nevada, and includes the Truckee River and tributaries in Reno, Sparks and the Truckee Meadows urban area.

Rapid urbanization has and is continuing to occur in the Truckee Meadows area where there has been a history of severe flooding. The flood of record occurred in 1955. Flooding also occurred in 1950, 1963 and most recently in February of 1986. By 1990, the over 10,000 acre floodplain is expected to be completely urbanized, including densely developed industrial, commercial and residential areas. If these historical flood events were to recur, flood damage would be devastating.

The recommended plan provides 100 year flood protection to the Reno-Sparks and Truckee Meadows areas using a combination of a 7 mile long levee, 5 mile flood wall, channel improvements, and a 900 acre overflow detention storage area. Also, additional recreation facilities and improvements would be provided. Thirty-one acres of riparian vegetation will be planted on project lands along the Truckee River and Steamboat Creek for mitigation of fish and wildlife impact.



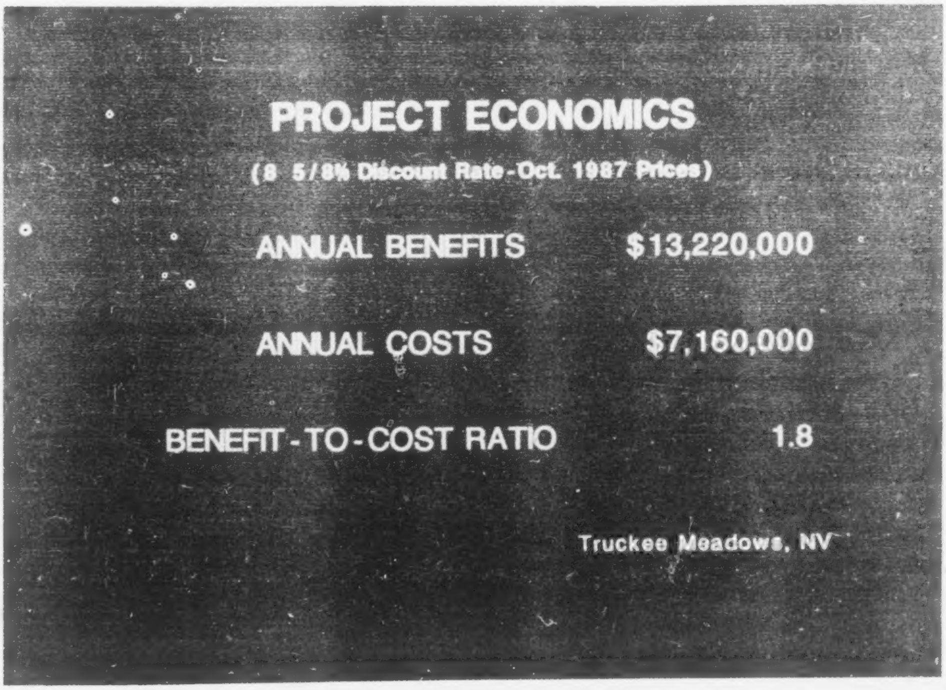
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$39,200,000
NON-FEDERAL COSTS	39,200,000
TOTAL	$78,400,000
O & M COSTS	
FEDERAL O&M	$0
NON-FEDERAL O&M	290,000
TOTAL	$290,000

Truckee Meadows, NV

Total first costs and O&M costs associated with the project are shown here.



PROJECT ECONOMICS

(8 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$13,220,000
ANNUAL COSTS	$7,160,000
BENEFIT-TO-COST RATIO	1.8

Truckee Meadows, NV

The annualized benefits and costs are shown here.

Washoe County and the Cities of Reno and Sparks support the project.

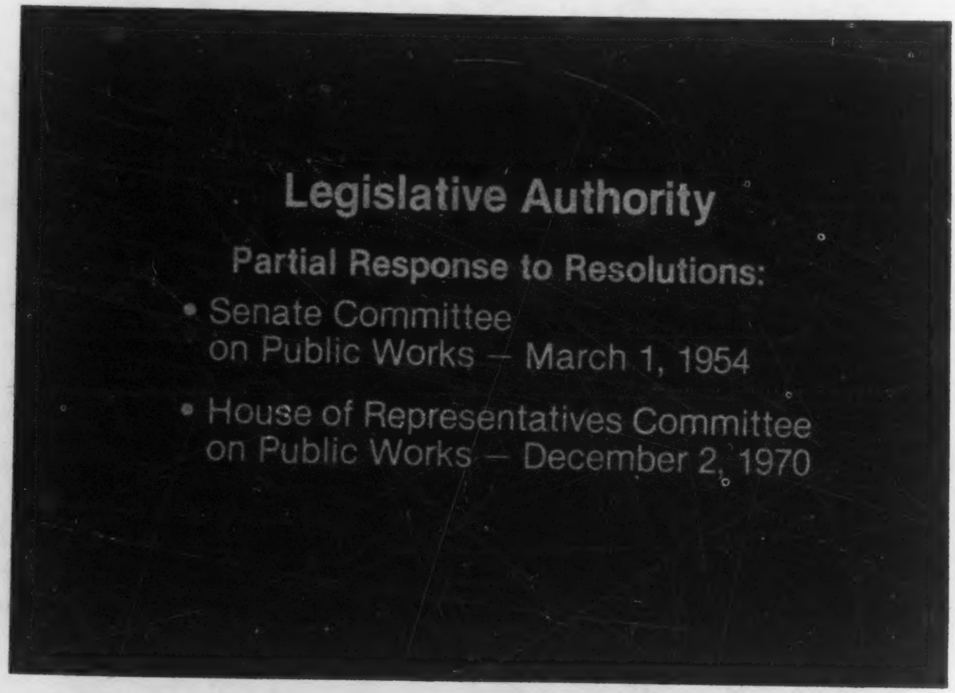
Mr. **Stangeland**. Excuse me, General. Why is the local share equal to the Federal share?

General **Sands**. Sir, that is basically, as you noticed, in this particular area it's very highly urbanized. The land prices are relatively high. And as a result of the local sponsor being required to provide all the lands, easements and rights-of-way for the project, that pretty much is the result here—that particular cost.

Mr. **Doyle**. As you recall, sir, the cost sharing for flood control in the act is for structural solutions a minimum of 25 percent, a maximum of 50 percent, with that range being a function of how much lands, easements and rights-of-way and relocations there are that have to be assumed by the non-Federal sponsor. Here there are a lot.

Mr. **Stangeland**. Thank you.

General **Sands**. The next project is the Delaware River, Philadelphia to Wilmington.



Legislative Authority

Partial Response to Resolutions:

- Senate Committee on Public Works – March 1, 1954
- House of Representatives Committee on Public Works – December 2, 1970

It responds to the legislative authorities shown here. The report was transmitted by the Secretary to the Congress in February of this year.

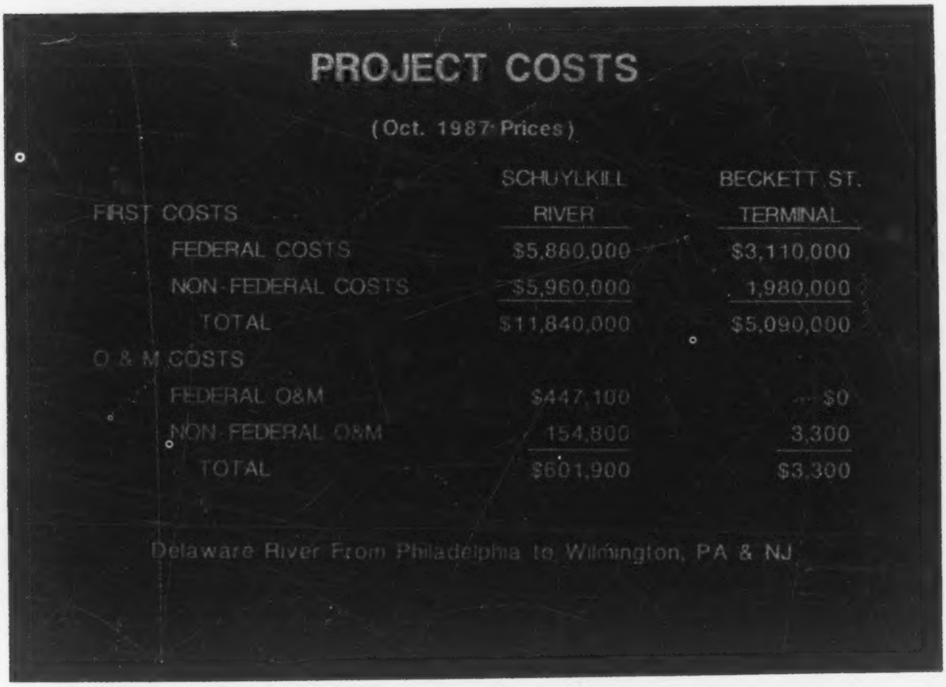
The project involves improvement for navigation in the Schuylkill River from the mouth to Penrose Avenue in Philadelphia and the Delaware River in the vicinity of Camden, New Jersey. A need exists to provide channels of sufficient dimensions to permit efficient movement of fully loaded dry bulk and general cargo vessels.

The Chief of Engineers finds that navigation improvements are advisable.

The existing Federal navigation channel in the lower Schuylkill River provides for a depth of 35 feet.

The recommended plan calls for deepening of the existing channel to 40 feet.

The authorized depth of the existing Federal project in the Delaware River is 37 feet. The recommended plan would deepen the existing channel in the river to the Beckett Street terminal to 40 feet and provide a turning basin with a depth of 40 feet.



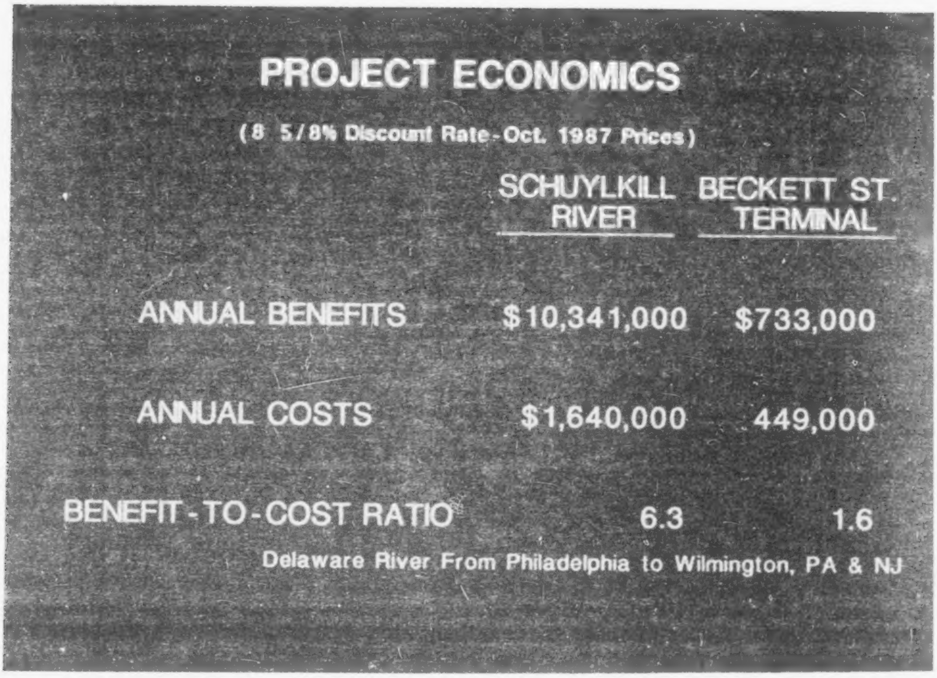
PROJECT COSTS

(Oct. 1987 Prices)

	SCHUYLKILL RIVER	BECKETT ST. TERMINAL
FIRST COSTS		
FEDERAL COSTS	$5,880,000	$3,110,000
NON-FEDERAL COSTS	$5,960,000	1,980,000
TOTAL	$11,840,000	$5,090,000
O & M COSTS		
FEDERAL O&M	$447,100	$0
NON-FEDERAL O&M	154,800	3,300
TOTAL	$601,900	$3,300

Delaware River From Philadelphia to Wilmington, PA & NJ

The costs associated with this project are shown here.



PROJECT ECONOMICS

(8 5/8% Discount Rate-Oct. 1987 Prices)

	SCHUYLKILL RIVER	BECKETT ST. TERMINAL
ANNUAL BENEFITS	$10,341,000	$733,000
ANNUAL COSTS	$1,640,000	449,000
BENEFIT-TO-COST RATIO	6.3	1.6

Delaware River From Philadelphia to Wilmington, PA & NJ

The annualized benefits and costs are depicted on this slide.

Mr. STANGELAND. Excuse me. What does it mean by non-Federal first cost?

General SANDS. Those were the costs of the project.

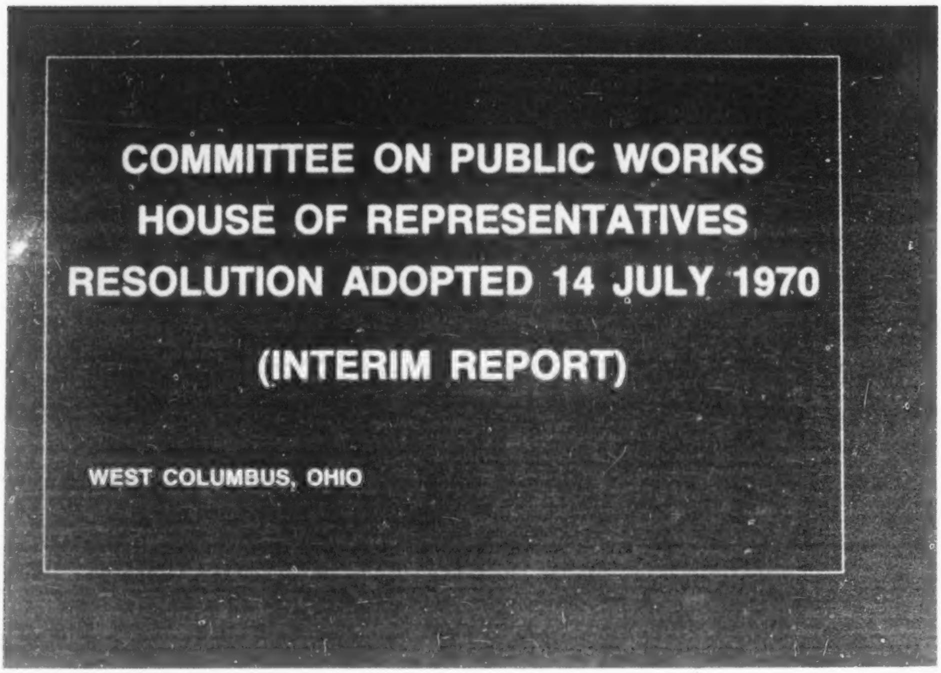
Mr. DOYLE. That's a construction cost, a cost for the non-Federal sponsors in connection with constructing the project.

Mr. STANGELAND. John, does that presume an ongoing local cost that they share? In the information I have here it says Federal costs, $9,100,000, non-Federal first cost. What is the meaning of a first cost. In saying a first cost, you presume then that there is a second or a third cost as well?

Mr. DOYLE. No, it's just a term that we use to identify the non-Federal sponsor's share of constructing the project to be differentiated from the O&M costs which are the continuing year-by-year costs on an average basis that are connected with operating and maintaining the project.

Mr. STANGELAND. Thank you.

General SANDS. The next project is a flood protection project, Scioto River, at West Columbus, Ohio.



COMMITTEE ON PUBLIC WORKS
HOUSE OF REPRESENTATIVES
RESOLUTION ADOPTED 14 JULY 1970
(INTERIM REPORT)

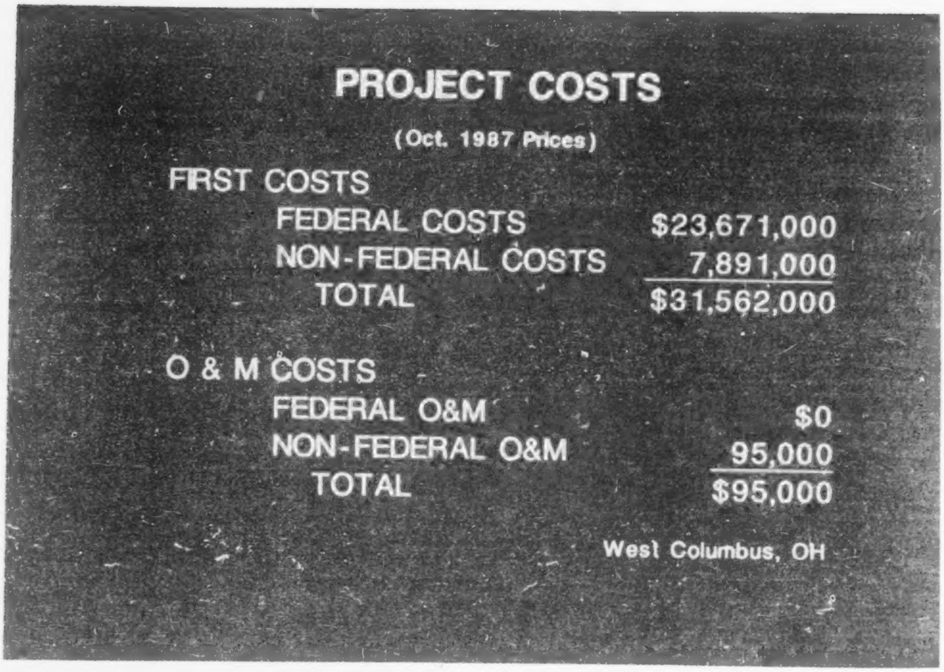
WEST COLUMBUS, OHIO

It's in response to this legislative authority.

West Columbus is located in the central part of the State of Ohio. The project area is located on the right descending bank of the Scioto River in the western part of the City of Columbus. And it is a two square mile residential and commercial area bounded by the Scioto River on the north and east and Interstate Highway 70 on the south and west.

This community is subject to severe residential and commercial damage as a result of recurring floods. Significant historical flooding has occurred in 1913, 1937 and 1959.

The report recommends construction of a 3.3 mile long levee and flood wall system with a new pumping station and modifications to existing pumping stations and sewer systems. And 17 gate closures at vehicular and railroad access points throughout the project.



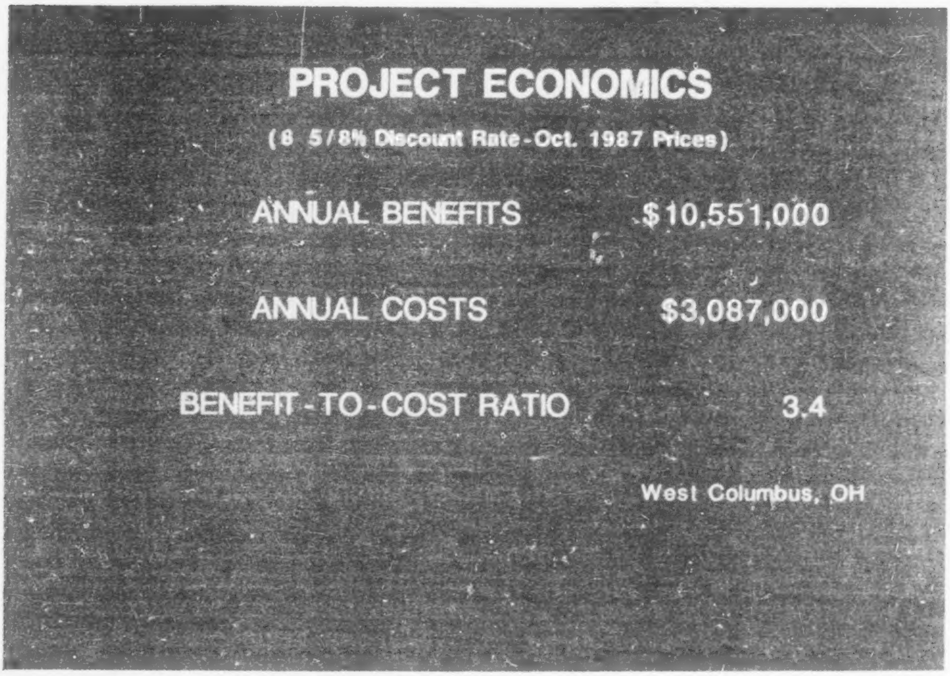
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$23,671,000
NON-FEDERAL COSTS	7,891,000
TOTAL	$31,562,000
O & M COSTS	
FEDERAL O&M	$0
NON-FEDERAL O&M	95,000
TOTAL	$95,000

West Columbus, OH

Costs associated with the project are shown here.



PROJECT ECONOMICS

(8 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$10,551,000
ANNUAL COSTS	$3,087,000
BENEFIT-TO-COST RATIO	3.4

West Columbus, OH

Annualized benefits and costs are depicted here.

The local interests and the State of Ohio support the project.

Mr. Nowak. General, if I may again ask the same question that Mr. Stangeland did on the other. You are up to 50 percent on the flood control project. I wonder if you could explain the difference in the percentage allocated to this flood control project and why it's under——

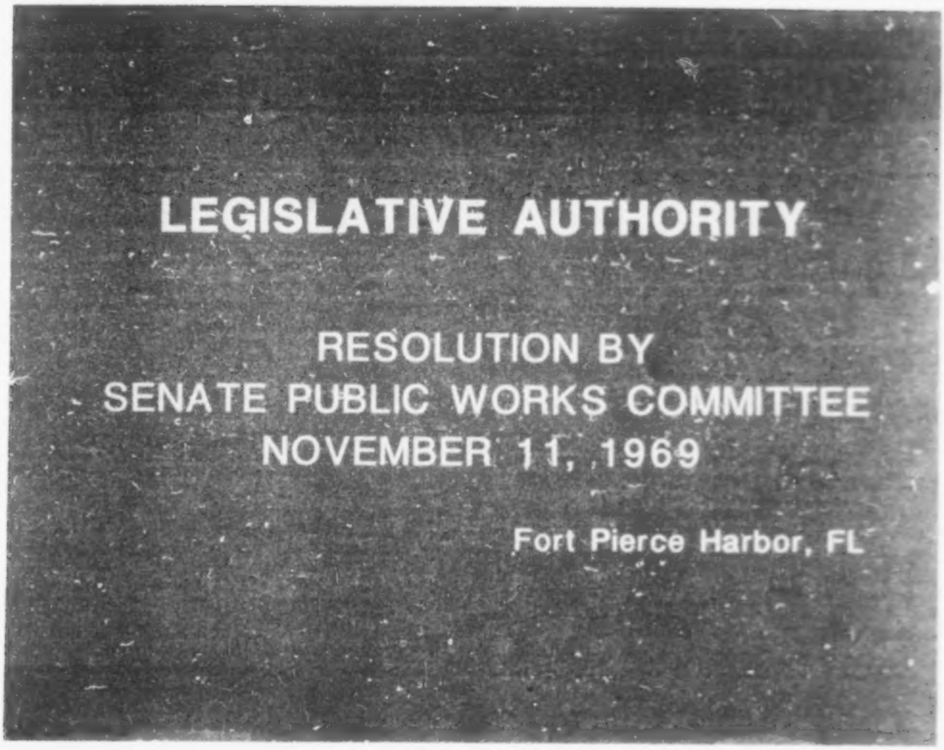
General Sands. Yes, sir. As Mr. Doyle indicated, the guidelines on cost sharing on flood control projects indicate that the project non-Federal share will range from a minimum of 25 percent to a maximum of 50 percent. Generally what determines that maximum range is basically the cost of lands, easements and rights-of-way. As those land costs go up, then obviously the non-Federal costs will go up. In this particular instance, the local sponsor is paying the minimum cost sharing under the law, and it's primarily a result of the lower costs of the lands, easements and rights-of-way factor.

Mr. Nowak. That determination is made pursuant to the regulations and rules that are in existence for review of every one of these projects?

Mr. Doyle. It is the cost sharing scheme that was adopted in Public Law 99-662. Another way to describe that is in every flood control project, a non-Federal sponsor must contribute 5 percent cash at a minimum during construction, lands, easements, rights-of-way and relocation costs on top of that. If the sum of those two components don't equal 25 percent for a structural project, the difference between the sum and 25 percent must be paid in cash. If the sum exceeds 25 percent, then that sum is the non-Federal sponsor's share unless it exceeds 50 percent, in which case it is capped at 50 percent. That's the scheme that the statute, the law itself, calls for.

Mr. Nowak. Please continue.

General Sands. The next project is a navigation project for commercial navigation improvements at Fort Pierce Harbor, Florida.



LEGISLATIVE AUTHORITY

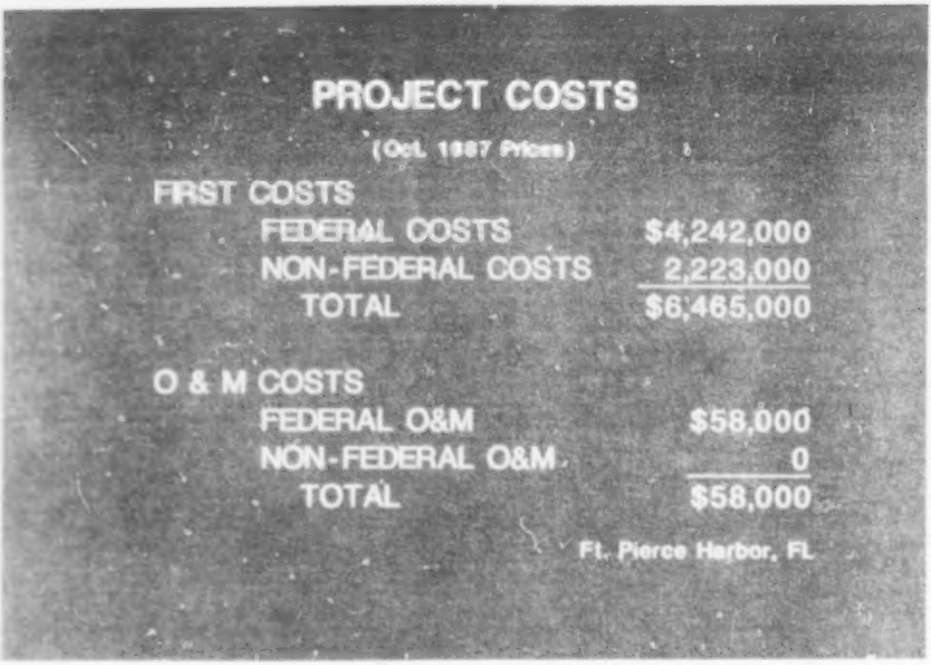
RESOLUTION BY
SENATE PUBLIC WORKS COMMITTEE
NOVEMBER 11, 1969

Fort Pierce Harbor, FL

The report was prepared in response to the legislative authority shown here.

Fort Pierce is in St. Lucie County on Florida's east coast, approximately 50 miles north northwest of Palm Beach. The existing project at Fort Pierce consists of a 27 foot deep entrance channel, a 25 foot deep interior channel and a turning basin.

The proposed plan calls for deepening it to 32 feet and widening the existing project, constructing an additional access channel and conversion of an area from deep water to shallow water habitat.



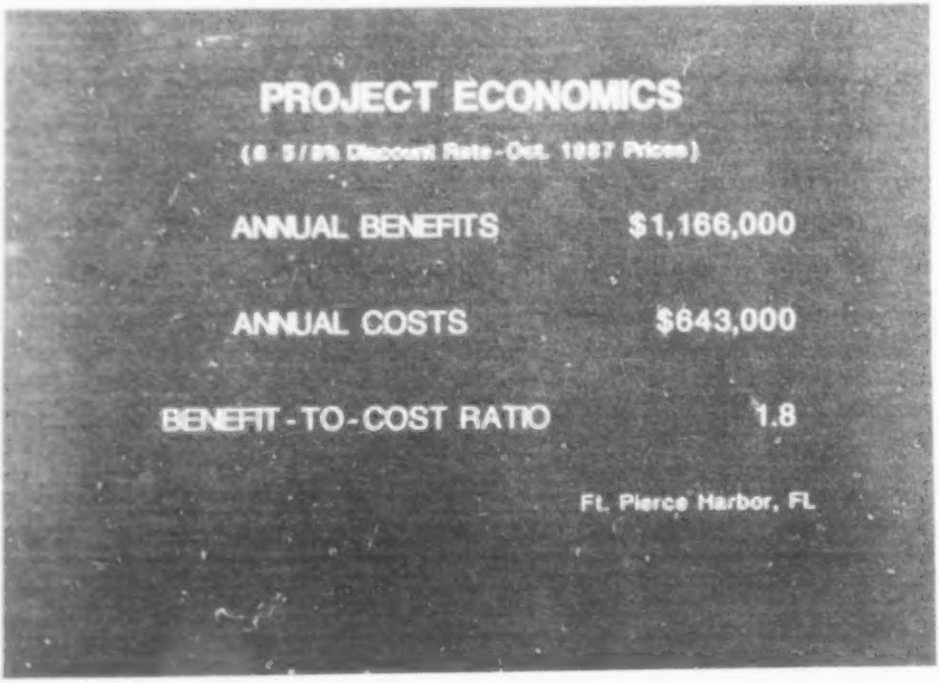
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$4,242,000
NON-FEDERAL COSTS	2,223,000
TOTAL	$6,465,000
O & M COSTS	
FEDERAL O&M	$58,000
NON-FEDERAL O&M	0
TOTAL	$58,000

Ft. Pierce Harbor, FL

The costs associated with the project are shown here.



PROJECT ECONOMICS

(8 5/8% Discount Rate - Oct. 1987 Prices)

ANNUAL BENEFITS	$1,166,000
ANNUAL COSTS	$643,000
BENEFIT-TO-COST RATIO	1.8

Ft. Pierce Harbor, FL

The annualized benefits and costs are shown here.

Mr. **Nowak**. General, if I may before we leave this project, the purpose as listed in the report here is navigation. And you are going down to 30 feet. And I wonder if you could describe the type of navigation that will be enhanced by this project.

Mr. **Davidson**. The primary cargo using Fort Pierce is fresh citrus export, about 50,000 tons annually, and an import of aragonite of about 160,000 tons annually with other miscellaneous cargo.

Mr. **Nowak**. I'm trying to see where the differentiation comes with your deep ports going to 35 feet and this of 30 feet. The different size vessels and the loads that they're carrying are going to be an enormous difference at ports just south of Fort Pierce where I understand they are going a little deeper and north of Fort Pierce too I believe. And I'm just wondering the size of those vessels that they are deepening this port for.

Mr. **Davidson**. Mr. Chairman, it depends upon, of course, the type of cargo and the trade routes. For the large deep ports, New Orleans-Baltimore, they have a very long trade route. And in addition, they can get tremendous savings and economies of scale with the very large tankers, bulk cargo, whatever in comparison to this port which is much more of a regional port. They're not taking fresh cargo to——

Mr. **Nowak**. Most of this cargo isn't going to go overseas I take it.

Mr. **Davidson**. I think it's not going to be a long journey. I do not have detail in terms of the origin and destination. Essentially that's the differences in whether or not they need very deep ports or these more shallow ports.

Mr. **Nowak**. Well, again, I would be interested from that point of view of where we are improving our port structure to compete internationally here with our product line. I know a lot of citrus is going overseas, and I understand there's a trade dispute with several countries concerning their importation of Florida citrus. It has been I think over the last couple of years a widely disputed kind of a problem for us to get that particular product overseas. And I'm just wondering if going to this depth is going to help the situation in that trade picture.

Mr. **Doyle**. Mr. Chairman, in accordance with your request, for each of these navigation projects, we will make an attempt to break down that portion of the overall benefits and trade which is, in fact, destined as best we can tell for the international market.

Mr. **Nowak**. I'd appreciate it. Thank you, General. Please continue.

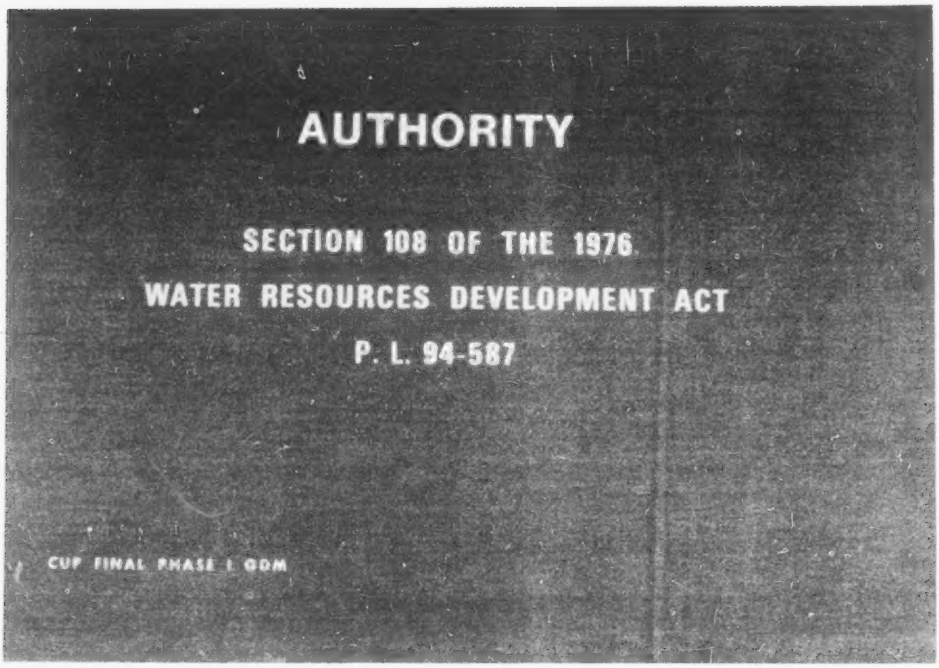
General **Sands**. Those were the first——

Mr. **Stangeland**. Excuse me. At what time do you expect an agreement with the EPA on their concerns with the project? Do I gather that EPA has a problem with the project dealing with the environment and environmental costs?

Mr. **Davidson**. We are at the normal stage of agreement at this point. There are always concerns anytime we are dredging in Florida, and there are concerns about the disturbance of grass, seagrasses and, of course, the various species. And we have responded to EPA that as we progress into preconstruction engineering and design, we will work closely with them to assure that we reach agreement.

Mr. STANGELAND. Thank you.

General SANDS. The next project is the Chicagoland Underflow Plan.



AUTHORITY

SECTION 108 OF THE 1976

WATER RESOURCES DEVELOPMENT ACT

P. L. 94-587

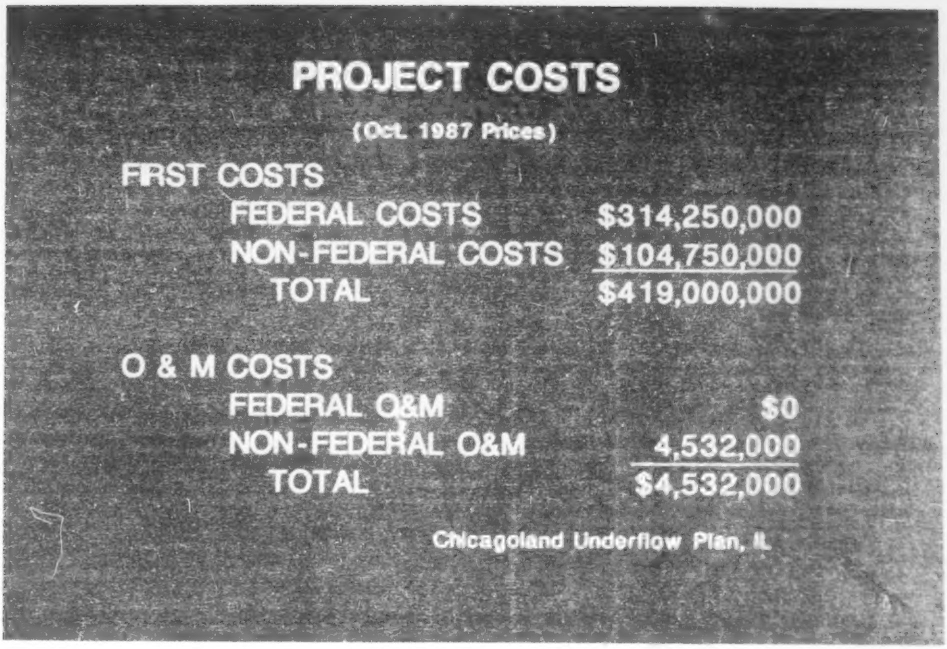
CUP FINAL PHASE I GDM

The report is in response to this authority, and as has been indicated earlier the report has been reviewed and is opposed by the Administration.

The project study area consists of 341 square miles of a combined sewer service area in Chicago known as the Des Plaines, Mainstream and Calumet systems serving some 49 communities. An O'Hare system project similar but much smaller than this was authorized in the Water Resources Development Act of 1986.

The primary flooding problem in this area is basement and street flooding due to sewer backup. Storm events cause sewer outfalls to become submerged or partially submerged, thereby causing sewer backup. There are potentially one-half million structures subject to flooding of this nature with average annual estimated flood damages in excess of $140 million.

The plan specified in the Chief's report consists of two reservoirs to be constructed in quarries at McCook and Thornton, Illinois. The plan would also require extensive hydraulic works, aquifer protection systems and aeration systems.



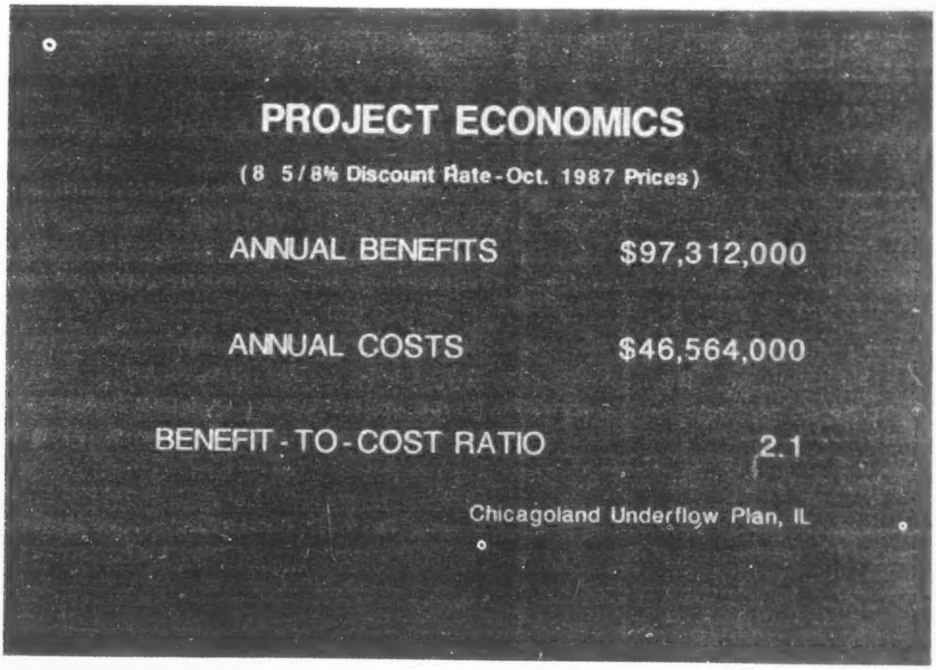
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$314,250,000
NON-FEDERAL COSTS	$104,750,000
TOTAL	$419,000,000
O & M COSTS	
FEDERAL O&M	$0
NON-FEDERAL O&M	4,532,000
TOTAL	$4,532,000

Chicagoland Underflow Plan, IL

Costs associated with the project are shown on this slide.



PROJECT ECONOMICS

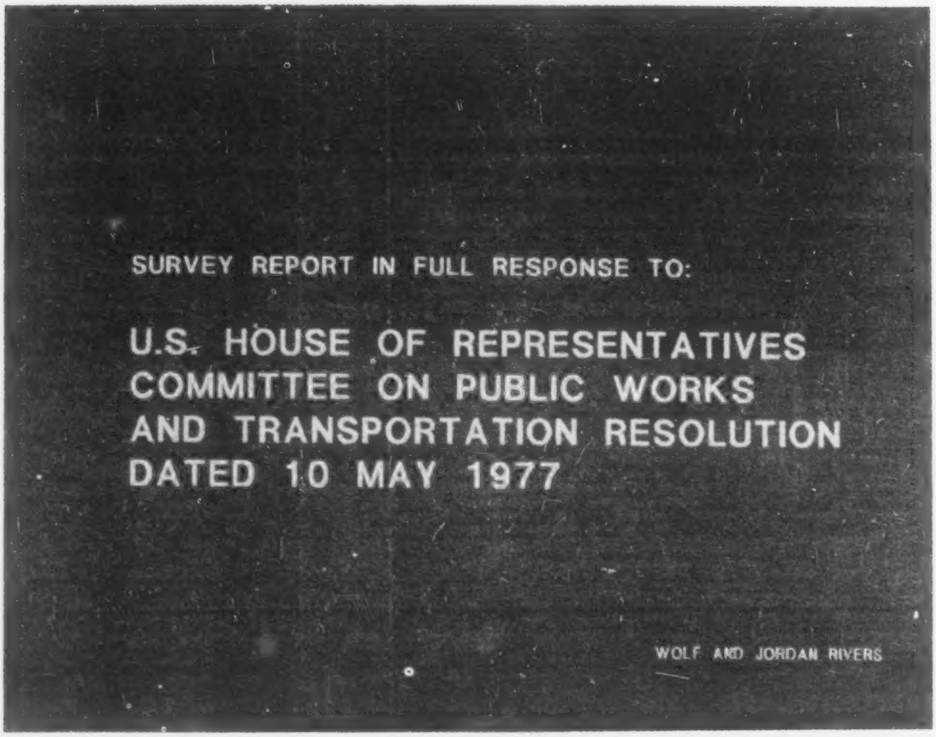
(8 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$97,312,000
ANNUAL COSTS	$46,564,000
BENEFIT-TO-COST RATIO	2.1

Chicagoland Underflow Plan, IL

Annualized benefits and costs are shown here.

Local interests, including the local sponsor, the Metropolitan Sanitary District of Chicago, support the project.



SURVEY REPORT IN FULL RESPONSE TO:

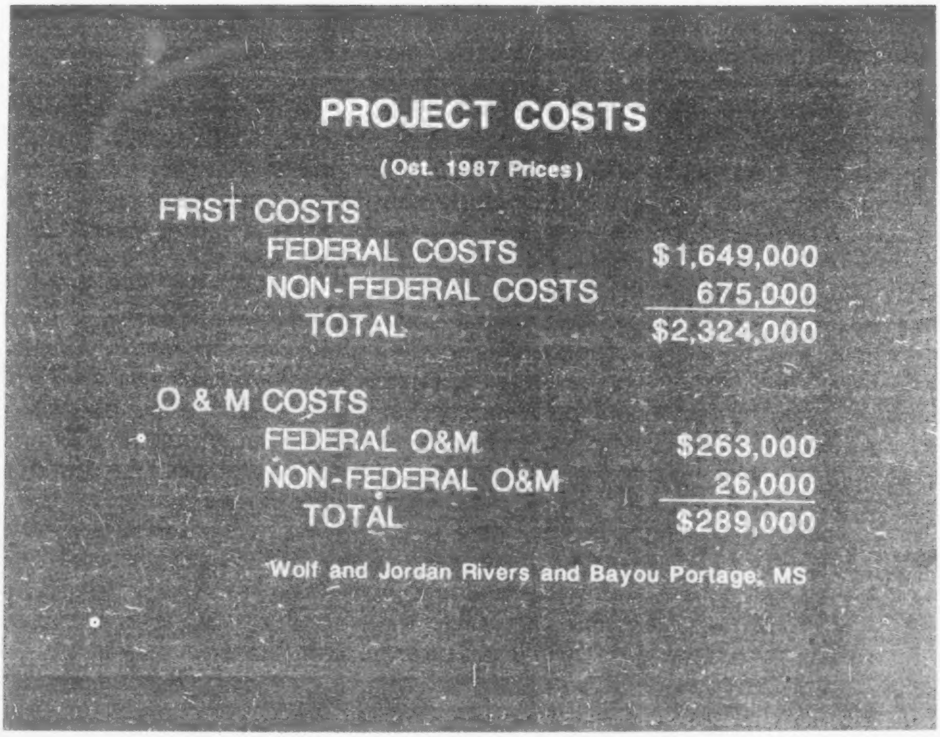
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION RESOLUTION
DATED 10 MAY 1977

WOLF AND JORDAN RIVERS

The next project is a commercial navigation project for improvements on the Wolf and Jordan Rivers and Bayou Portage, Mississippi. This report was provided in response to this authority. And once again, as indicated earlier, it has been reviewed and is opposed by the Administration.

The area of concern is at Pass Christian, Mississippi, about 62 miles east of New Orleans and 84 miles west of Mobile. The existing Federal navigation project authorized in 1907 consists of a 7-foot deep by 100-foot wide channel for each stream. The existing Bayou Portage channel is a non-Federal project. The principal difficulty is due to the lack of maintenance in that channel.

Local interests desire modification and maintenance of the existing navigation channel from St. Louis Bay to the Pass Christian industrial park. The proposed plan is a channel 4½ miles long, 100 feet wide and 8 feet deep in St. Louis Bay to the end of a turning basin in the Pass Christian industrial park.



PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS

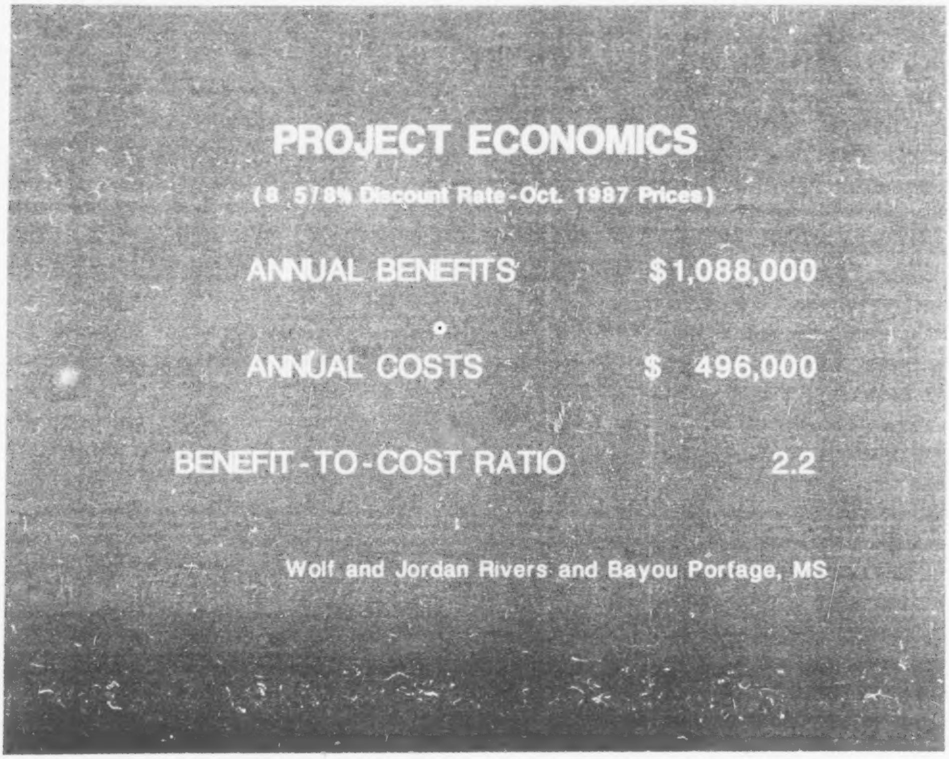
FEDERAL COSTS	$1,649,000
NON-FEDERAL COSTS	675,000
TOTAL	$2,324,000

O & M COSTS

FEDERAL O&M	$263,000
NON-FEDERAL O&M	26,000
TOTAL	$289,000

Wolf and Jordan Rivers and Bayou Portage, MS

Costs associated with the project are shown here.



PROJECT ECONOMICS

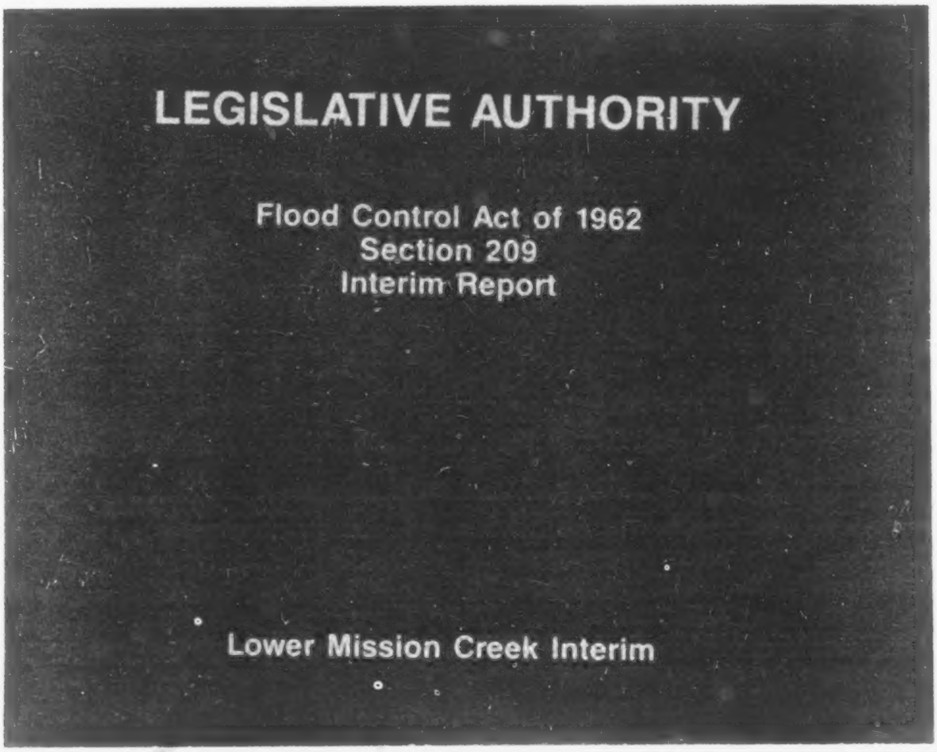
(8 5/8% Discount Rate - Oct. 1987 Prices)

ANNUAL BENEFITS	$1,088,000
ANNUAL COSTS	$ 496,000
BENEFIT-TO-COST RATIO	2.2

Wolf and Jordan Rivers and Bayou Portage, MS

Annualized benefits and costs of the project are depicted on this slide.

The next project is a flood control project on lower Mission Creek in Santa Barbara, California.



LEGISLATIVE AUTHORITY

Flood Control Act of 1962
Section 209
Interim Report

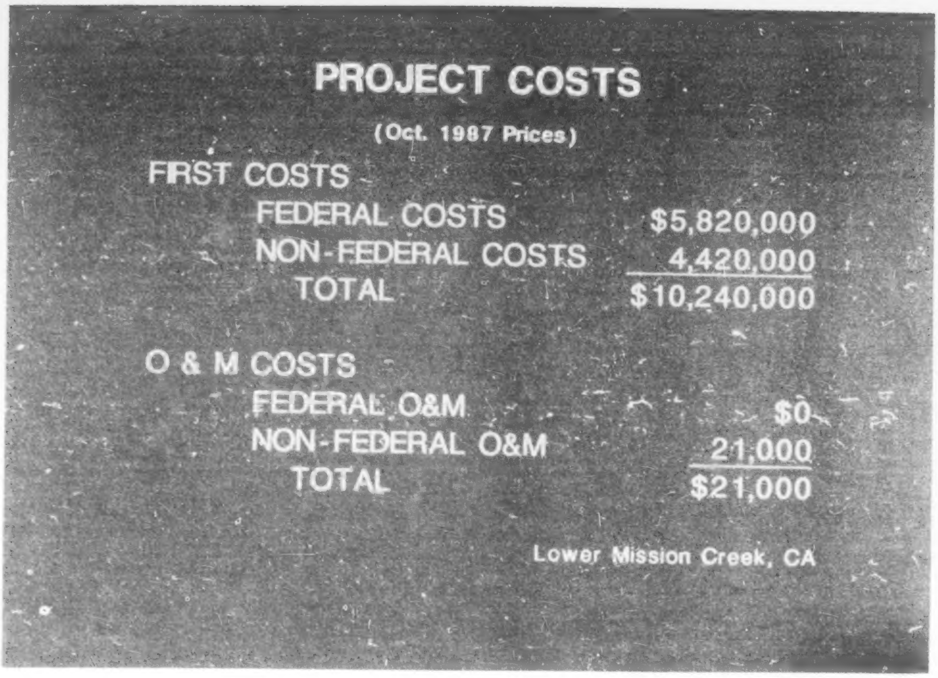
Lower Mission Creek Interim

The report is in partial response to the legislative authority here. The final report of the Chief of Engineers was forwarded to the Secretary on the 25th of March of this year.

The report concerns improvements for flood control in the lower highly developed reaches of Mission Creek in Santa Barbara County.

There has been repeated flooding in this area since the mid-1800's. Most recently flooding has occurred in 1941, 1952, 1969, 1978 and 1983. A 100-year flood would cause flood damages of $22.8 million under today's conditions.

The recommended plan provides at least 100 years of flood protection for lower Mission Creek from Carrillo Street to the Pacific Ocean using a concrete channel approximately 1 mile in length that joins with the downstream end of an existing concrete channel which was constructed by the California Department of Transportation. A 175-foot long box culvert would extend between Montecito Street and the railroad tracks.



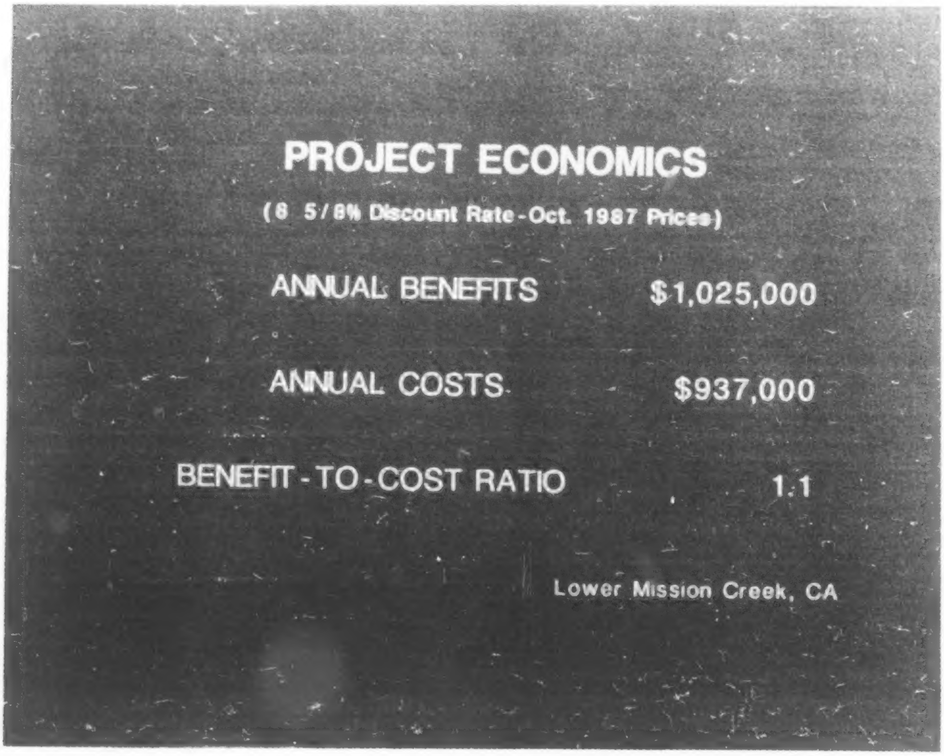
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$5,820,000
NON-FEDERAL COSTS	4,420,000
TOTAL	$10,240,000
O & M COSTS	
FEDERAL O&M	$0
NON-FEDERAL O&M	21,000
TOTAL	$21,000

Lower Mission Creek, CA

The costs associated with this project are shown here.



PROJECT ECONOMICS

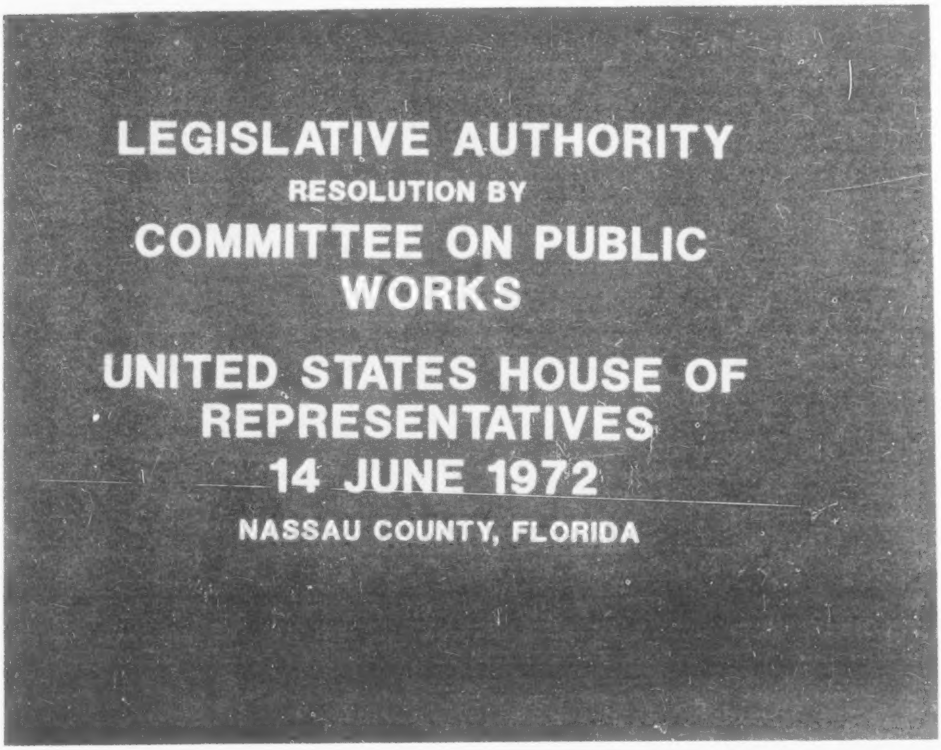
(8 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$1,025,000
ANNUAL COSTS	$937,000
BENEFIT-TO-COST RATIO	1.1

Lower Mission Creek, CA

The annualized benefits costs are depicted on this slide.
The City and County of Santa Barbara support the project.

The next report concerns beach erosion control for Amelia Island, Nassau County, Florida.



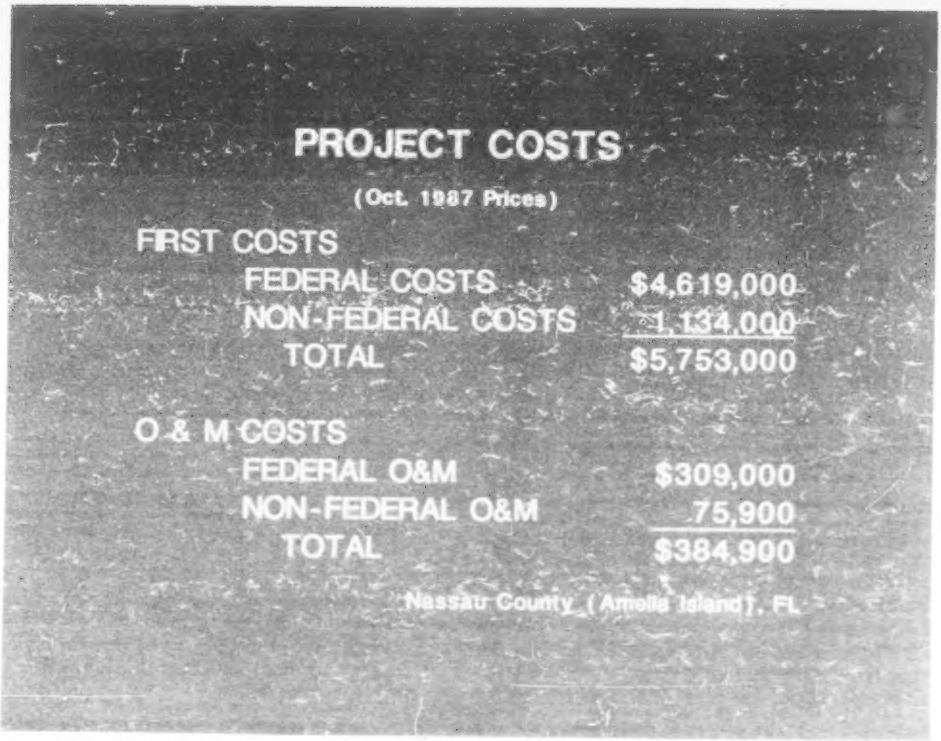
LEGISLATIVE AUTHORITY
RESOLUTION BY
COMMITTEE ON PUBLIC WORKS
UNITED STATES HOUSE OF REPRESENTATIVES
14 JUNE 1972
NASSAU COUNTY, FLORIDA

The report was prepared in response to these legislative authorities, and the final report is under review by the Assistant Secretary for Civil Works.

Amelia Island is at the northern end of Florida's Atlantic Coast. A pertinent existing project is the Federal navigation project for Fernandina Harbor consisting of jetties and channels. This project is the most significant causative factor for the unusually severe erosion of Amelia Island.

Local interests desire erosion control measures and mitigation of the effects of the Fernandina Harbor Federal navigation project.

The Chief of Engineers recommends a project consisting of placing beach fill on approximately 3.6 miles of beach, sand tightening of approximately 1,500 feet of the jetty to be accomplished by the Navy, and periodic nourishment of approximately 4.3 miles of ocean shore.



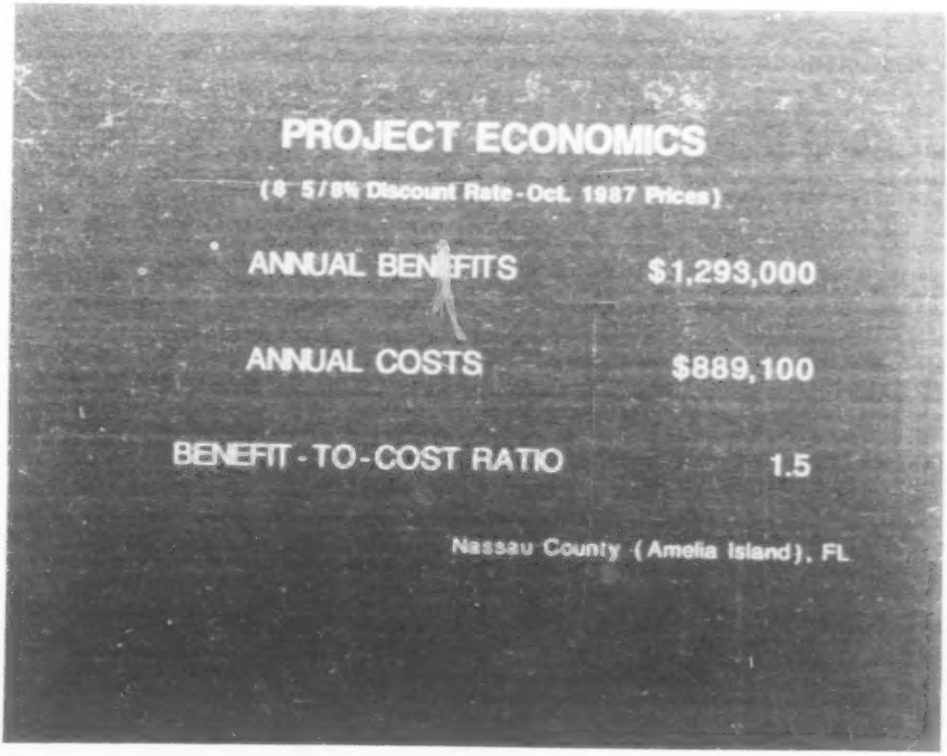
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS		
	FEDERAL COSTS	$4,619,000
	NON-FEDERAL COSTS	1,134,000
	TOTAL	$5,753,000
O & M COSTS		
	FEDERAL O&M	$309,000
	NON-FEDERAL O&M	75,900
	TOTAL	$384,900

Nassau County (Amelia Island), FL

Costs associated with the project are depicted on this slide.



PROJECT ECONOMICS

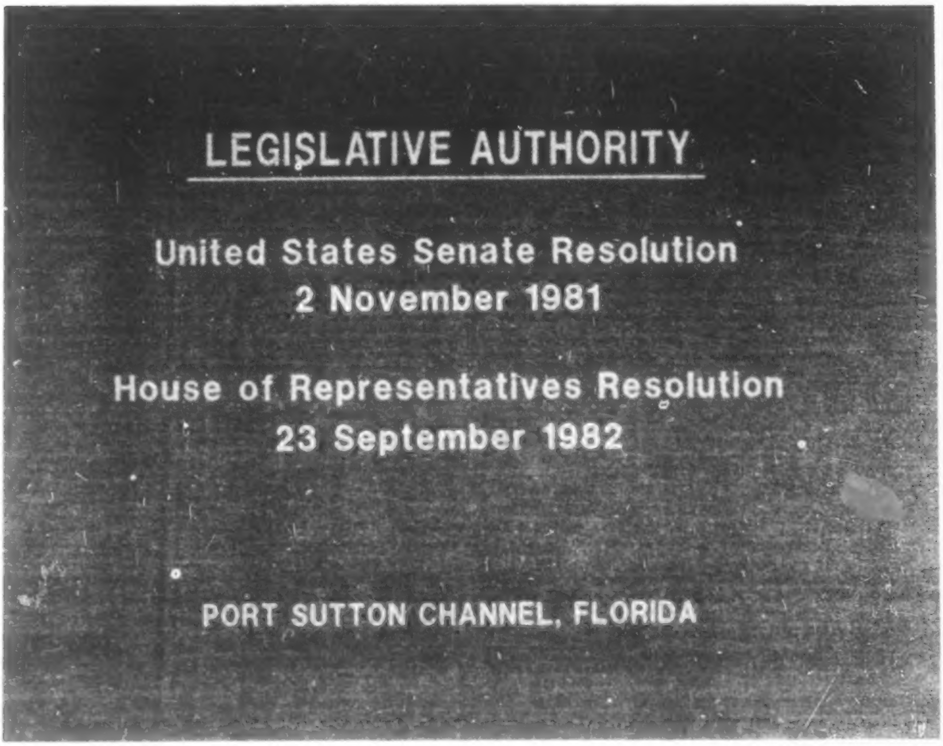
(8 5/8% Discount Rate - Oct. 1987 Prices)

ANNUAL BENEFITS	$1,293,000
ANNUAL COSTS	$889,100
BENEFIT - TO - COST RATIO	1.5

Nassau County (Amelia Island), FL

The annualized benefits and costs are depicted here.

The next project is a commercial navigation project for improvements at Port Sutton Channel, Florida.



LEGISLATIVE AUTHORITY

United States Senate Resolution
2 November 1981

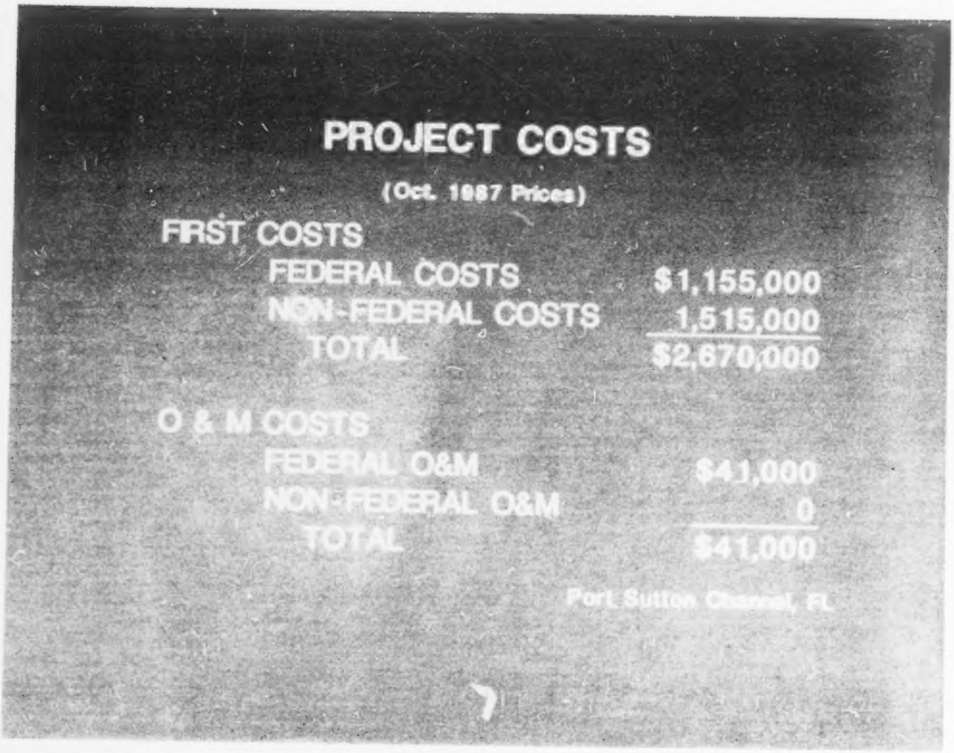
House of Representatives Resolution
23 September 1982

PORT SUTTON CHANNEL, FLORIDA

The report was prepared under these legislative authorities, and the report is currently under review by the Assistant Secretary's office.

The Port Sutton channel is in Tampa Harbor on Florida's gulf coast. The existing projects in Tampa Harbor consist of 68 miles of channel improvement. The current navigation problem at Port Sutton is light-loading of deep-draft bulk vessels due to inadequate channel depth. A channel deeper than the present 34-foot channel is therefore desirable.

The proposed plan calls for deepening Port Sutton channel to 43 feet for a distance of some 3,700 feet from the existing 43 foot deep Port Sutton turning basin to the Port Sutton terminal.



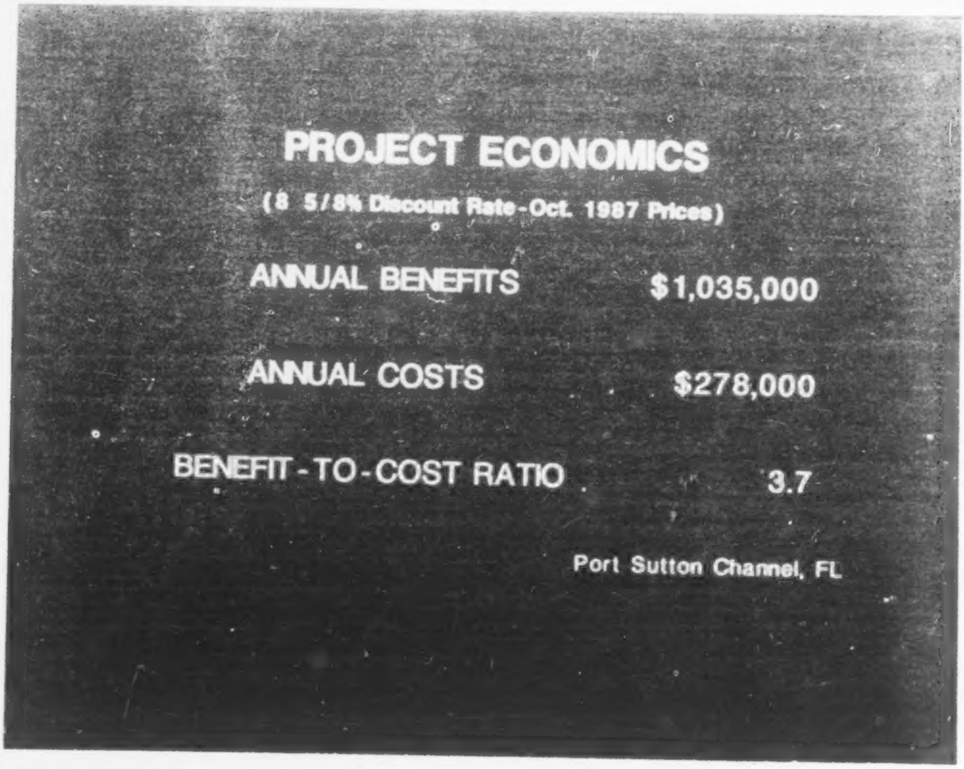
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$1,155,000
NON-FEDERAL COSTS	1,515,000
TOTAL	$2,670,000
O & M COSTS	
FEDERAL O&M	$41,000
NON-FEDERAL O&M	0
TOTAL	$41,000

Port Sutton Channel, FL

Costs associated with the project are shown here.



PROJECT ECONOMICS

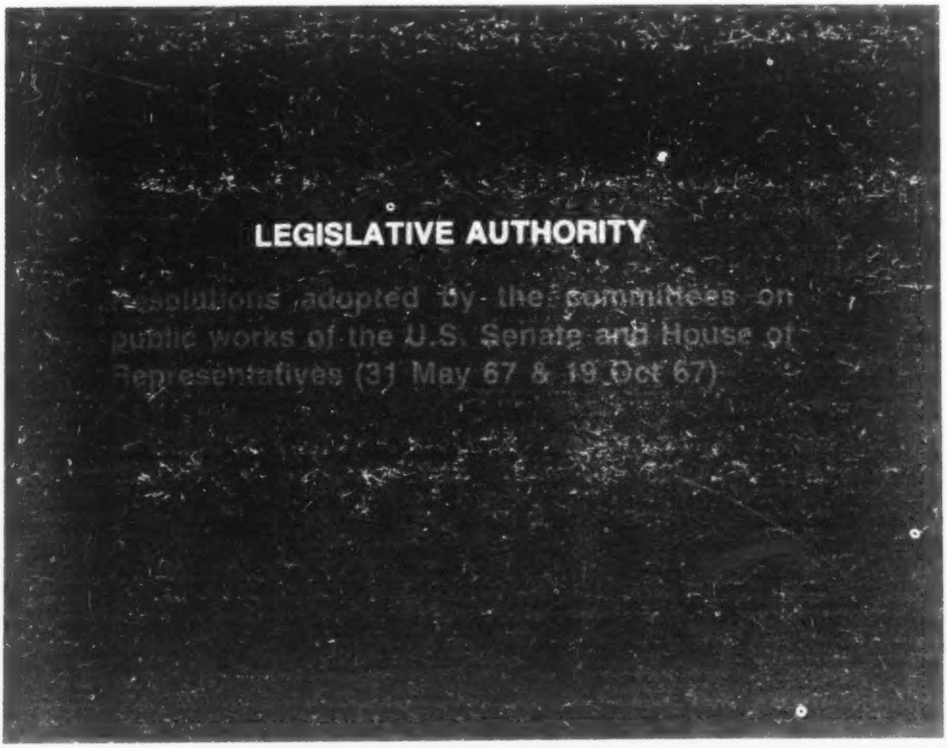
(8 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$1,035,000
ANNUAL COSTS	$278,000
BENEFIT-TO-COST RATIO	3.7

Port Sutton Channel, FL

The annualized benefits and costs are depicted on this slide.

The next project covers the installation of hydroelectric power facilities at the existing Federal project at William H. Harsha Lake, Ohio.



LEGISLATIVE AUTHORITY

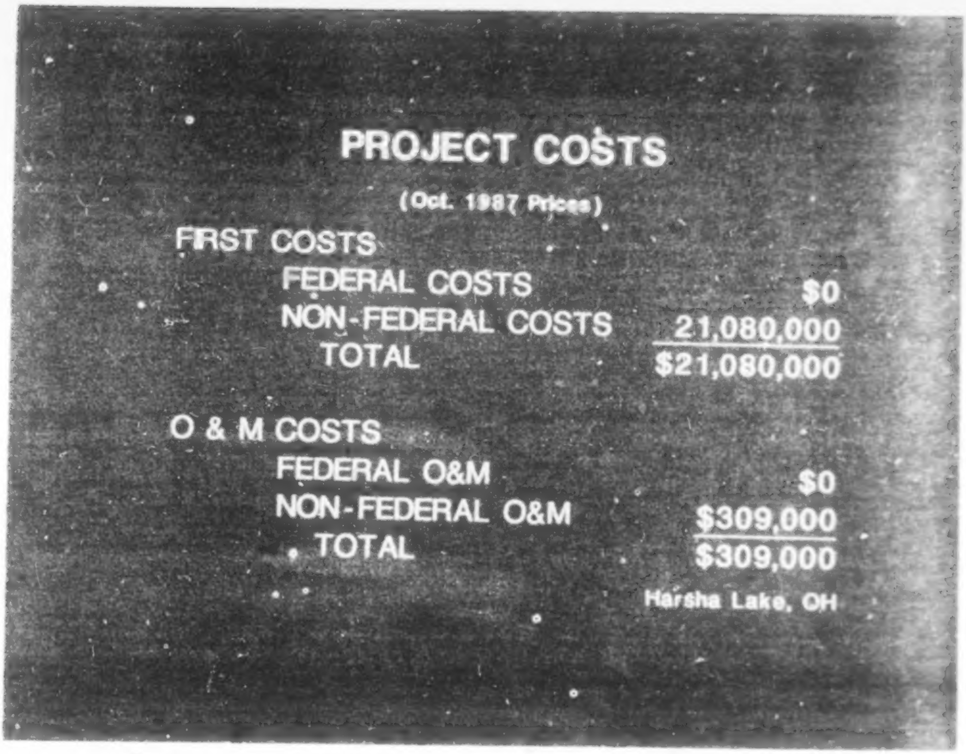
Resolutions adopted by the committees on public works of the U.S. Senate and House of Representatives (31 May 67 & 19 Oct 67)

The report is in response to these authorities and is currently under review by the Assistant Secretary.

The lake is located on the east fork of the Little Miami River approximately 25 miles southeast of Cincinnati.

The project is operated for authorized purposes of flood control, water quality, water supply and general recreation. The report recommends construction of a hydropower installation which fully utilizes the potential of the existing resource, as well as maintaining its capability for the previously authorized purposes.

The recommended installation would have an installed plant capacity of 10 megawatts with a potential annual energy output of 16,390 megawatt hours. The project would operate as a run-of-the-river plant with peaking operation when the reservoir levels permitted it to do so.



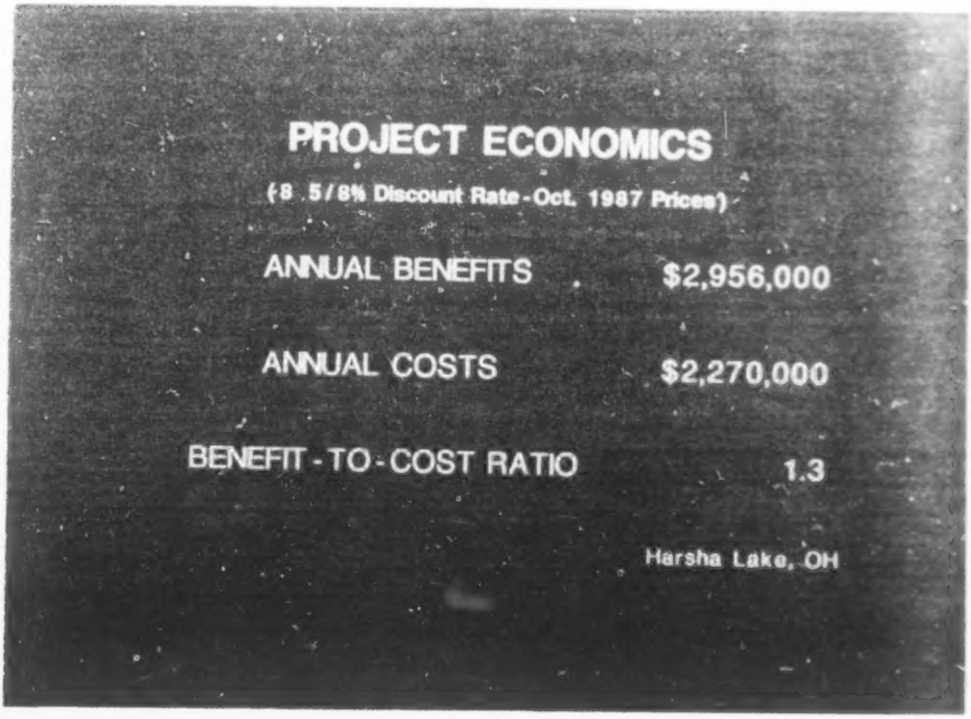
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$0
NON-FEDERAL COSTS	21,080,000
TOTAL	$21,080,000
O & M COSTS	
FEDERAL O&M	$0
NON-FEDERAL O&M	$309,000
TOTAL	$309,000

Harsha Lake, OH

Costs associated with this proposal are shown here.



PROJECT ECONOMICS

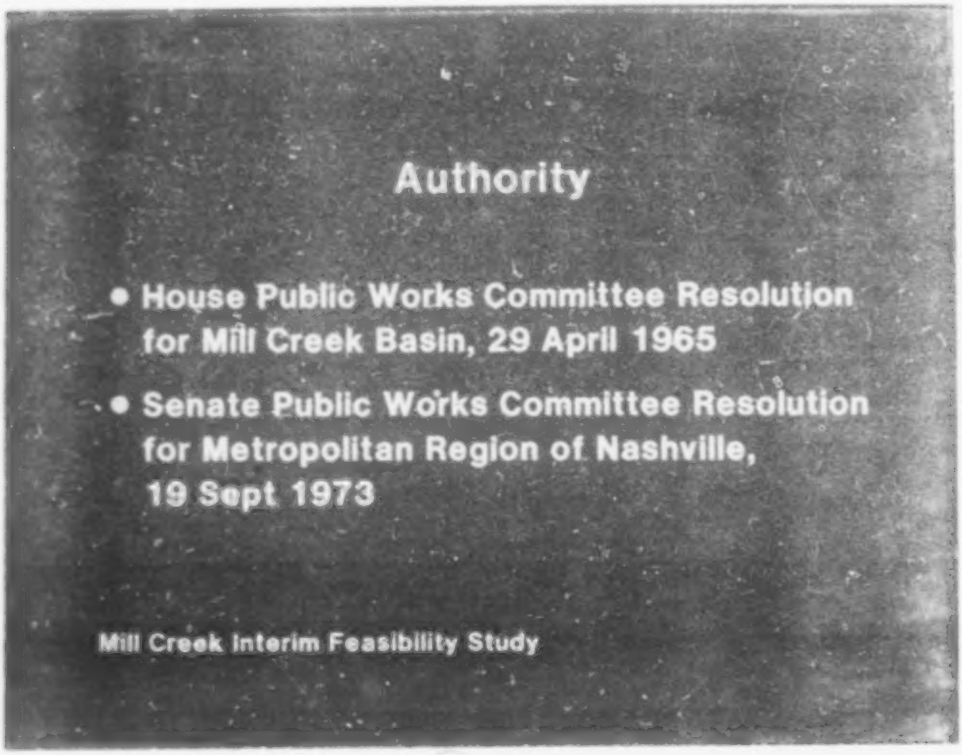
(8 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$2,956,000
ANNUAL COSTS	$2,270,000
BENEFIT-TO-COST RATIO	1.3

Harsha Lake, OH

The annualized benefits and costs are depicted on this slide.

The next project is a flood control project providing for protection works in the Mill Creek basin within the metro region of Nashville.



Authority

- House Public Works Committee Resolution for Mill Creek Basin, 29 April 1965
- Senate Public Works Committee Resolution for Metropolitan Region of Nashville, 19 Sept 1973

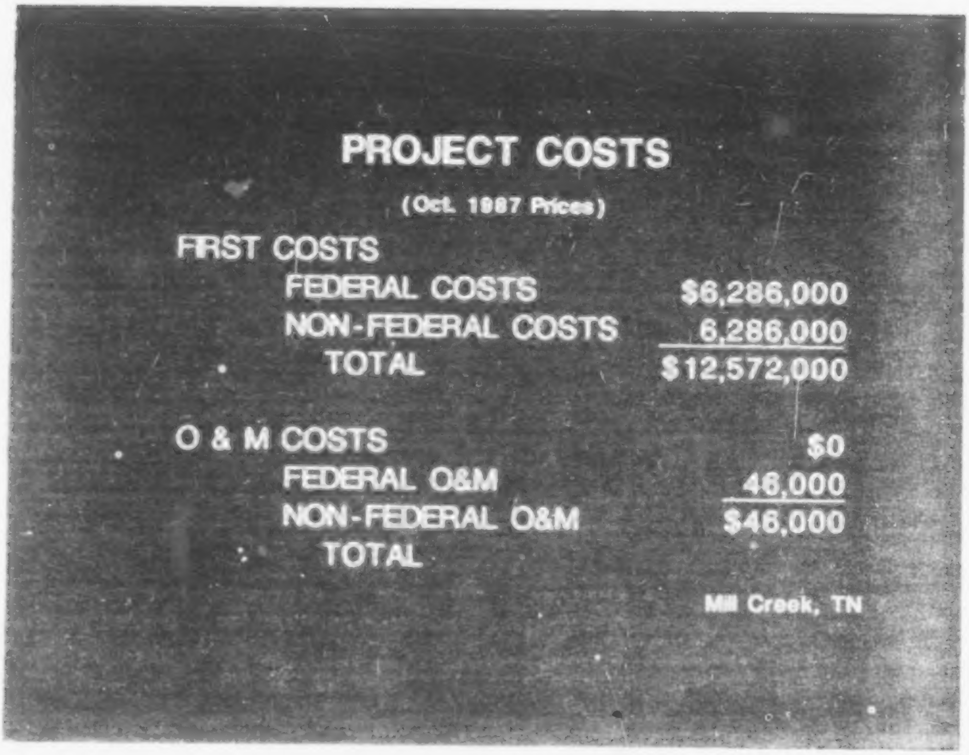
Mill Creek Interim Feasibility Study

It is in response to these authorities, and the report is currently under review by the Assistant Secretary.

The Mill Creek basin lies primarily within Davidson and Williamson Counties in middle Tennessee. The basin is about 20 miles long and averages approximately 6 miles in width. Topography in the area ranges from flat to moderately sloping along the main stem to the rolling, hilly uplands that form the watershed divide.

This area, is subject to severe flooding.

The report recommends construction of two unregulated dry bed reservoirs, one on Mill Creek and one on Sevenmile Creek, an eight-tenths of a mile section of channel widening on Sevenmile Creek, expansion of an existing flood warning system, and environmental design features, including creation of deep pools and selected landscaping on Sevenmile Creek. The dams would pond water only during periods of flooding.



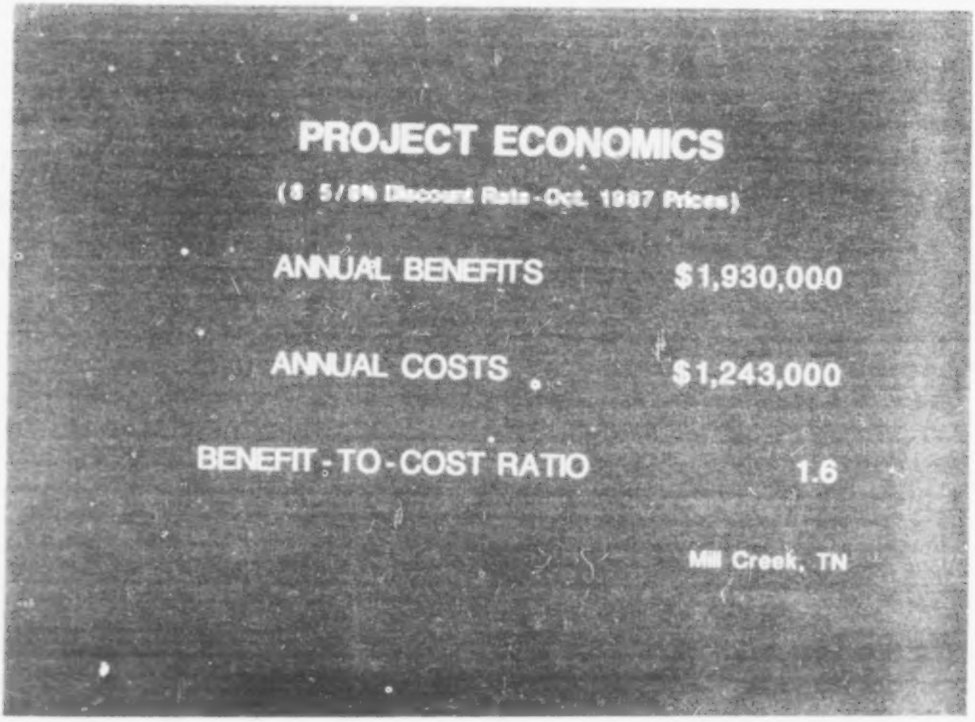
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$6,286,000
NON-FEDERAL COSTS	6,286,000
TOTAL	$12,572,000
O & M COSTS	$0
FEDERAL O&M	46,000
NON-FEDERAL O&M	$46,000
TOTAL	

Mill Creek, TN

Costs associated with the project are shown here.



PROJECT ECONOMICS

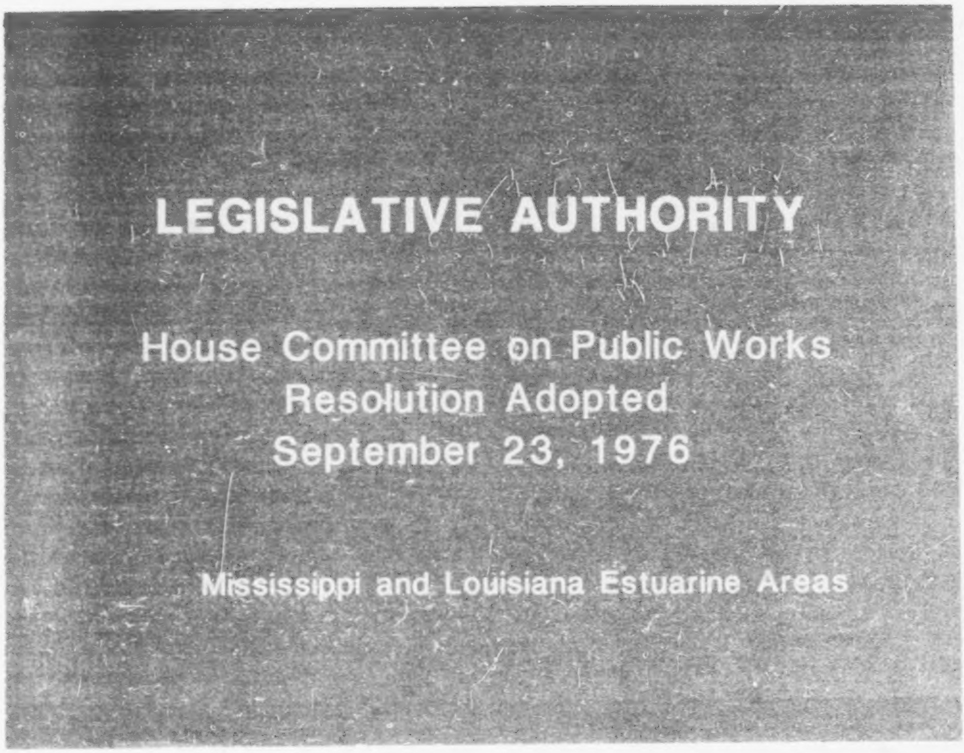
(8 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$1,930,000
ANNUAL COSTS	$1,243,000
BENEFIT-TO-COST RATIO	1.6

Mill Creek, TN

Our annualized benefits and costs are depicted on this slide.

Our next report covers the Mississippi and Louisiana estuarine areas.



LEGISLATIVE AUTHORITY

House Committee on Public Works
Resolution Adopted
September 23, 1976

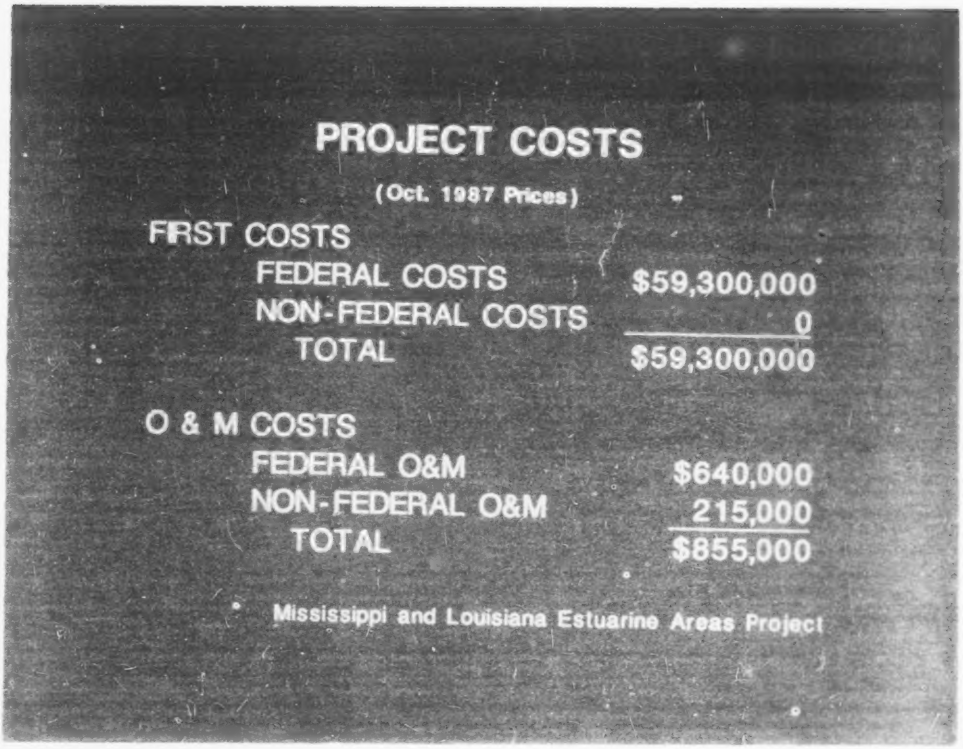
Mississippi and Louisiana Estuarine Areas

The report is in final response to this legislative authority. The Mississippi River Commission reviewed the report, and the final report of the Chief of Engineers has been sent to the Assistant Secretary.

The study concerned modification of the Mississippi River and tributaries project to include provisions for diversion of fresh water from the Mississippi River to Lake Pontchartrain at the Bonnet Carre spillway, which is just west of the City of New Orleans.

The Mississippi River is confined within levees throughout the study area. These levees prevent the river from meandering as it has done historically and, therefore, prevents the distribution of sediment and fresh water into the marsh areas. Deprived of the annual fresh water and sediment from the river, the natural processes of subsidence, compaction, erosion and saltwater intrusion, along with man's channel cutting and dredging and levee building activities, have resulted in the loss of 2.5 to 4.1 square miles of the study area coastal marshes each year. Also saltwater intrusion has adversely impacted historically highly productive oyster beds in the study area.

The recommended plan consists of improvements of facilities to divert fresh water into the Lake Pontchartrain basin and Mississippi Sound area. The diversion structure and related facilities would be adjacent to the existing Bonnet Carre spillway. The diversion structure would divert fresh water from the Mississippi River to control salinity in Lake Pontchartrain, Lake Borgne and to a lesser degree in the Mississippi and Chandelier Sound areas. A comprehensive monitoring system would also be established to guide structure operation and assess the effects of the diverted fresh water on fish and wildlife populations.



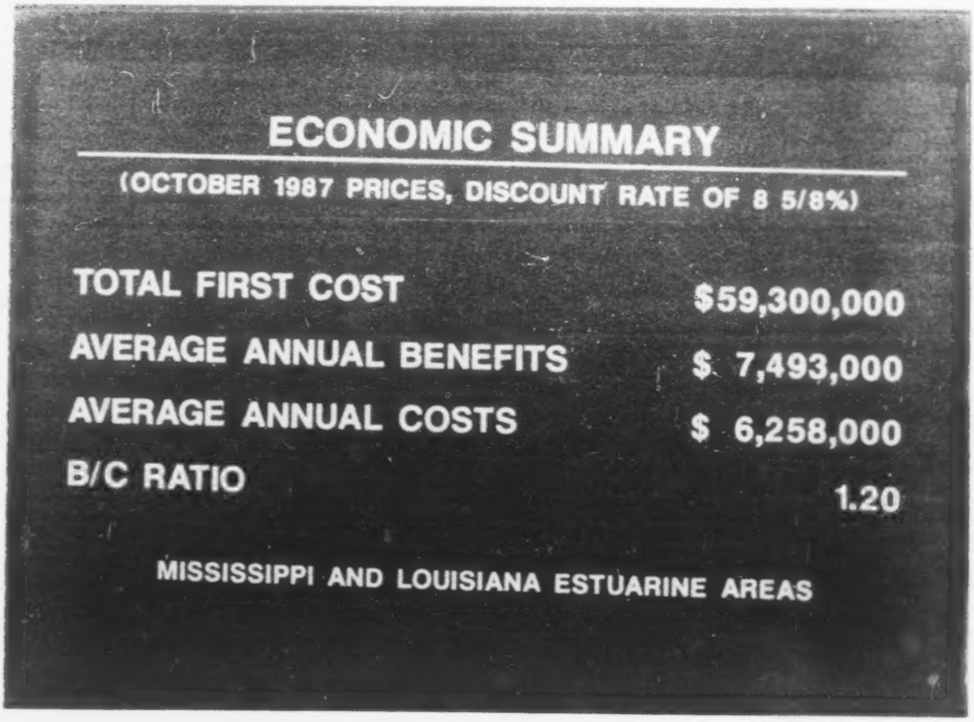
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$59,300,000
NON-FEDERAL COSTS	0
TOTAL	$59,300,000
O & M COSTS	
FEDERAL O&M	$640,000
NON-FEDERAL O&M	215,000
TOTAL	$855,000

Mississippi and Louisiana Estuarine Areas Project

Costs associated with the project are shown here.



ECONOMIC SUMMARY

(OCTOBER 1987 PRICES, DISCOUNT RATE OF 8 5/8%)

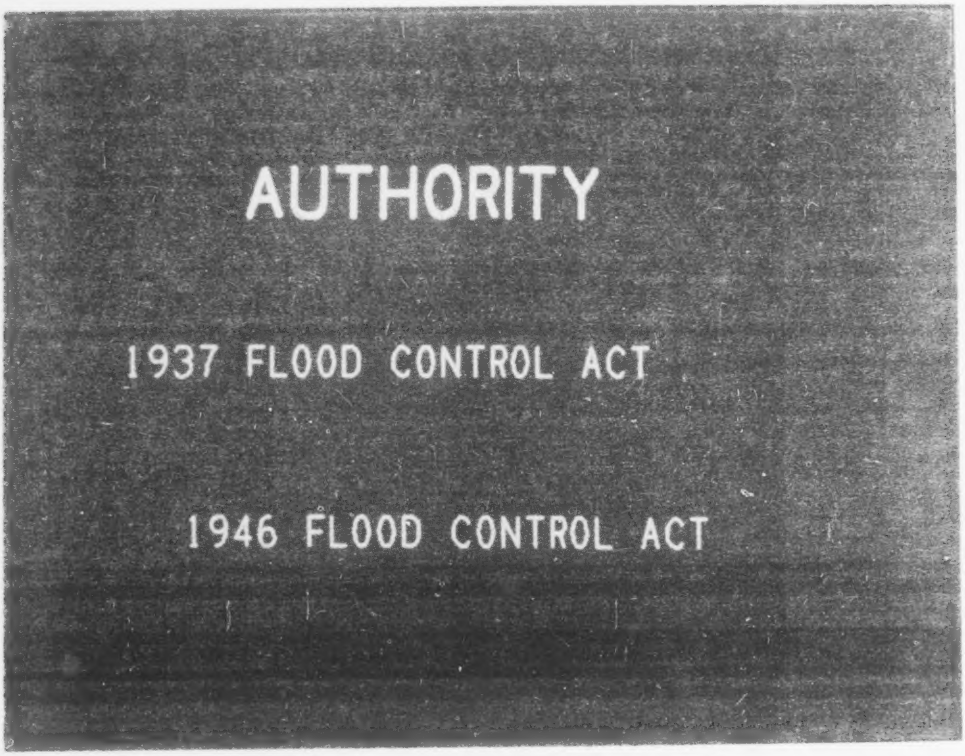
TOTAL FIRST COST	$59,300,000
AVERAGE ANNUAL BENEFITS	$ 7,493,000
AVERAGE ANNUAL COSTS	$ 6,258,000
B/C RATIO	1.20

MISSISSIPPI AND LOUISIANA ESTUARINE AREAS

Annualized benefits and costs are depicted on this slide.

The project is supported by both the States of Louisiana and Mississippi.

The next report concerns flood protection on Cypress Creek in Houston, Texas.



AUTHORITY

1937 FLOOD CONTROL ACT

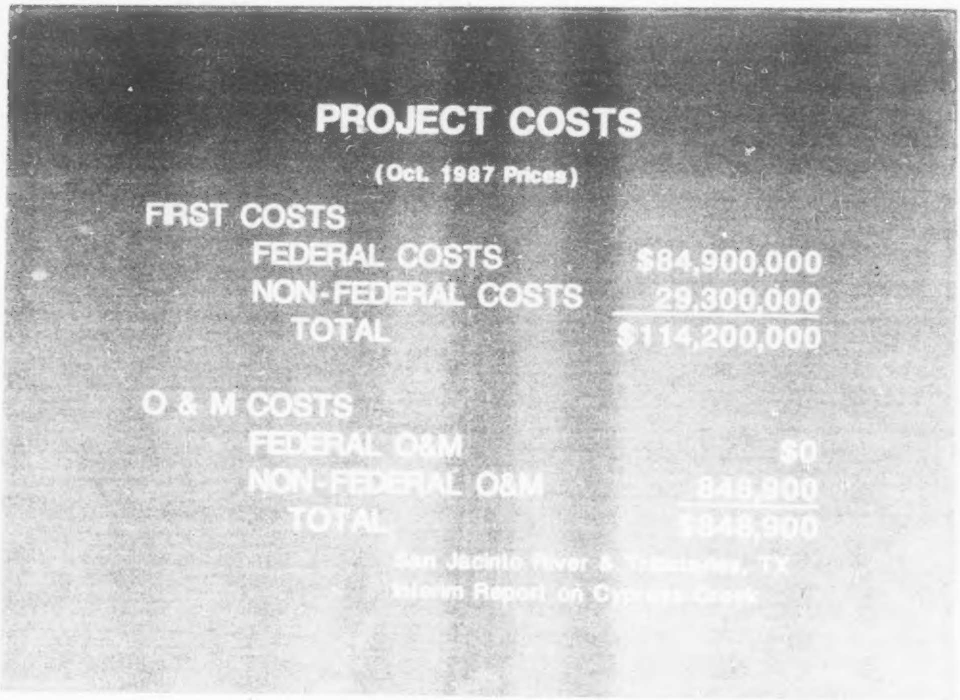
1946 FLOOD CONTROL ACT

The report is in partial response to these authorities and is currently under review by the Assistant Secretary.

The report concerns flood damage reduction measures for the Cypress Creek area located north and northwest of the City of Houston in northern Harris and eastern Waller Counties, Texas.

The 319 square mile Cypress Creek watershed is subject to flooding from rainstorms of varying intensities and durations. A 100 year flood would inundate about 2,400 structures and cause flood damage of about $98 million. Average annual flood damages under existing conditions would be expected to be about $9.3 million. The last severe flood on Cypress Creek occurred in 1960. Therefore, experienced flood damages are deceptively low because most of the development within this floodplain have occurred since 1960.

The recommended plan consists of a 29.4 mile enlarged grass-lined channel in Cypress Creek with riprap bank protection in high-velocity reaches designed to carry a future 10 year frequency flood flow.



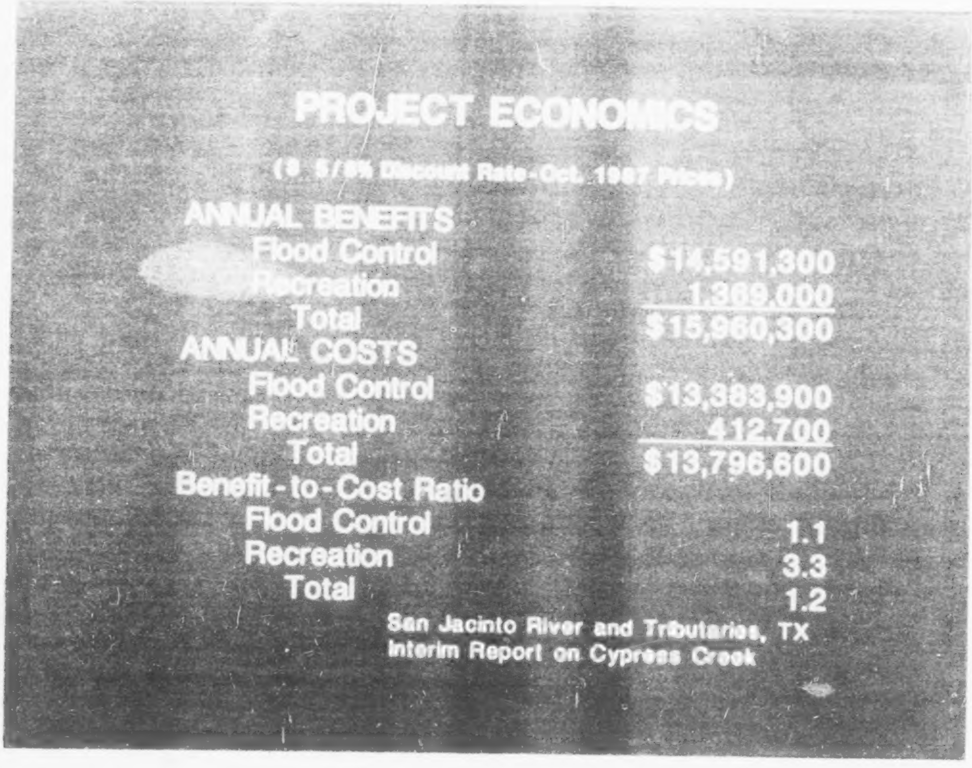
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$84,900,000
NON-FEDERAL COSTS	29,300,000
TOTAL	$114,200,000
O & M COSTS	
FEDERAL O&M	$0
NON-FEDERAL O&M	848,900
TOTAL	$848,900

San Jacinto River & Tributaries, TX
Interim Report on Cypress Creek

Costs associated with the project are shown here.



PROJECT ECONOMICS

(8 5/8% Discount Rate-Oct. 1987 Prices)

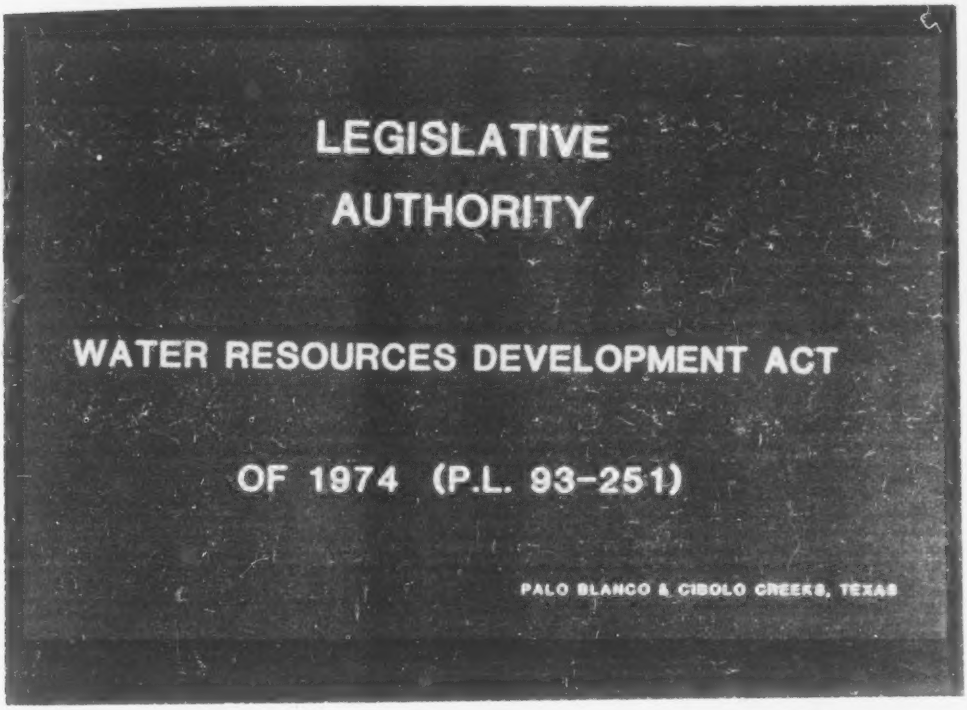
ANNUAL BENEFITS	
Flood Control	$14,591,300
Recreation	1,369,000
Total	$15,960,300
ANNUAL COSTS	
Flood Control	$13,383,900
Recreation	412,700
Total	$13,796,600
Benefit-to-Cost Ratio	
Flood Control	1.1
Recreation	3.3
Total	1.2

San Jacinto River and Tributaries, TX
Interim Report on Cypress Creek

The annualized benefits and costs are depicted on this slide.

The Governor of Texas supports the project, and Harris County will provide the requirements necessary for local cooperation.

The next report concerns flood damage reduction measures for areas in the vicinity of Falfurrias, Texas, subject to flooding from Palo Blanco and Cibolo Creeks.



LEGISLATIVE
AUTHORITY

WATER RESOURCES DEVELOPMENT ACT

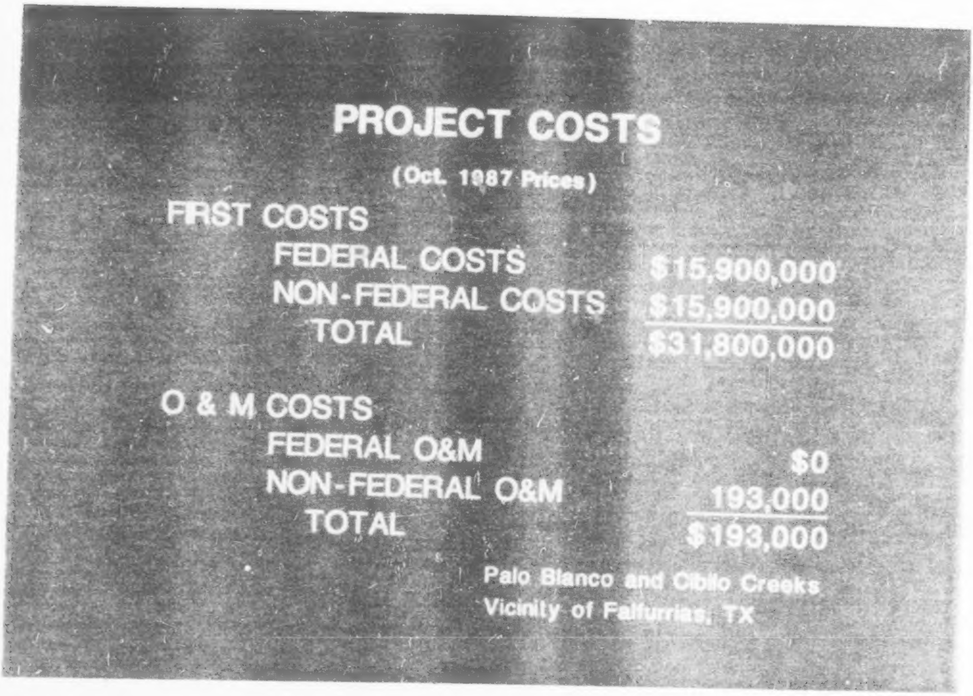
OF 1974 (P.L. 93-251)

PALO BLANCO & CIBOLO CREEKS, TEXAS

This report is in response to section 11(A) of the authority shown here, and is currently under review by the Assistant Secretary.

Falfurrias is located in southern Texas. The city has been flooded severely 12 times since 1912, the most recent being in May of 1982. The flood of record occurred in September of 1967 and caused some $3.3 million in property damage. Average annual flood damages under existing conditions are projected to be about $8.9 million.

The major features of the recommended plan are: a 5 mile long diversion levee west of the city designed to protect the city against standard project flood flows in both creeks; a 1.8 mile long pilot channel west of the city to direct flood flows from the creek southward to Baluarte Creek; a flowage easement of about 11,000 acres of land subject to flooding by overflows from the pilot channel; and an eight-tenths mile long ring levee around the sewage treatment plant west of the city; also the development of wetlands habitat within the borrow areas.



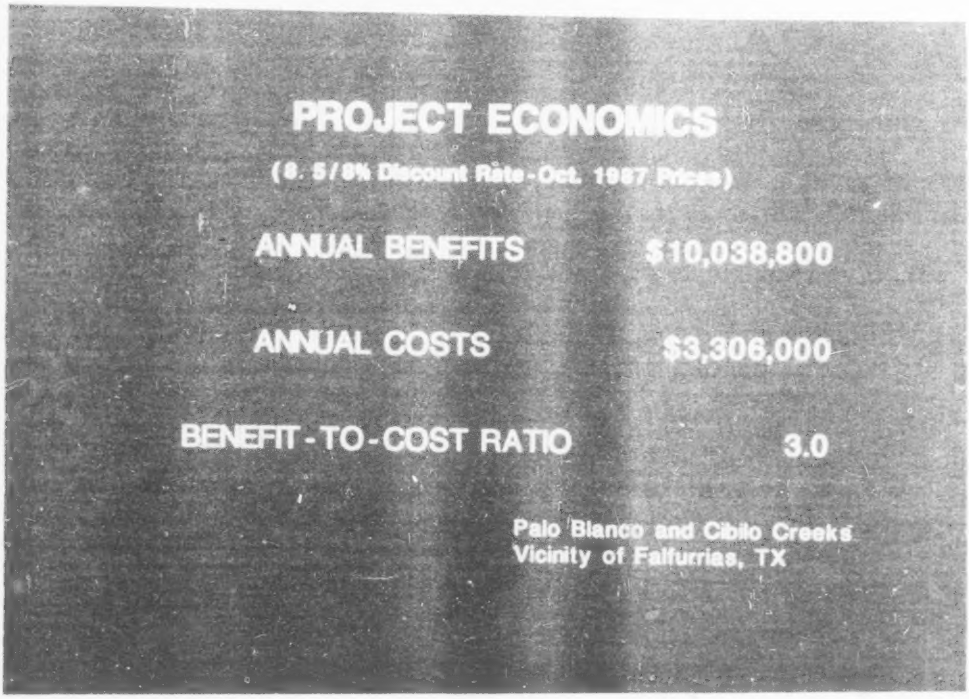
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$15,900,000
NON-FEDERAL COSTS	$15,900,000
TOTAL	$31,800,000
O & M COSTS	
FEDERAL O&M	$0
NON-FEDERAL O&M	193,000
TOTAL	$193,000

Palo Blanco and Cibilo Creeks
Vicinity of Falfurrias, TX

Costs associated with the project are depicted here.



PROJECT ECONOMICS

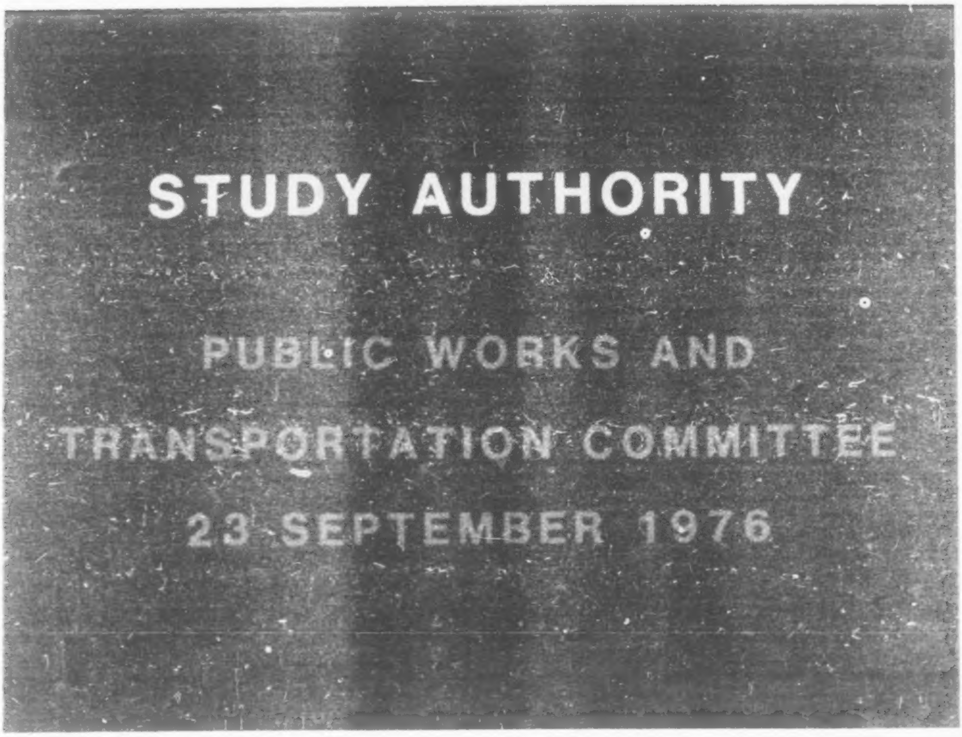
(8. 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$10,038,800
ANNUAL COSTS	$3,306,000
BENEFIT-TO-COST RATIO	3.0

Palo Blanco and Cibilo Creeks
Vicinity of Falfurrias, TX

Our annualized benefits and costs are shown here.

Brooks County, Texas supports the project and has expressed intent to provide the necessary requirements of local cooperation.



STUDY AUTHORITY

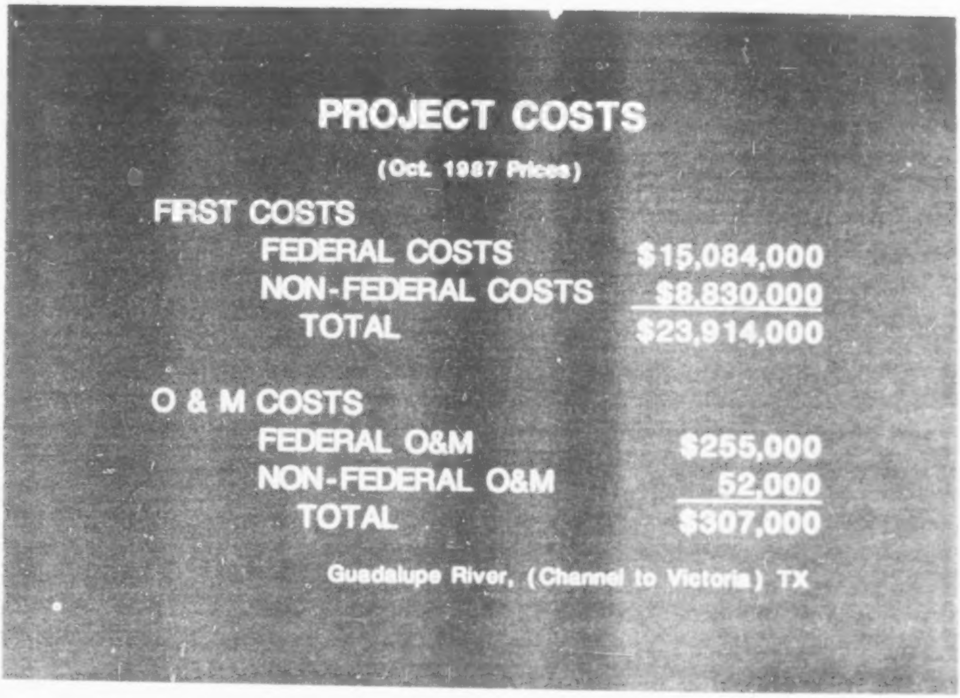
PUBLIC WORKS AND
TRANSPORTATION COMMITTEE
23 SEPTEMBER 1976

Our next project consists of navigation improvements for the Guadalupe River in Texas, specifically the channel to Victoria. The report is in partial response to the authority shown here and is currently under review by the Assistant Secretary.

The channel to Victoria extends about 35 miles from the Gulf Intercoastal Waterway in San Antonio Bay to a turning basin located about 7 miles south of the City of Victoria. The channel to Seadrift connects with the channel to Victoria at mile 6.5 and extends northeast approximately 2 miles to the town of Seadrift.

Waterway users must lightly load barges because of insufficient channel depths on the channel to Victoria. The existing project dimensions are 9 feet by 100 feet.

The recommended project provides for deepening and enlarging the existing channel 12 feet by 125 feet commensurate with the Gulf Intercoastal Waterway dimensions with the disposal of the dredged materials in upland areas. The recommended plan also includes a 60 acre confined disposal area in San Antonio Bay which would be developed as a bird rookery and the creation of additional marsh along the landlocked reach of the channel.



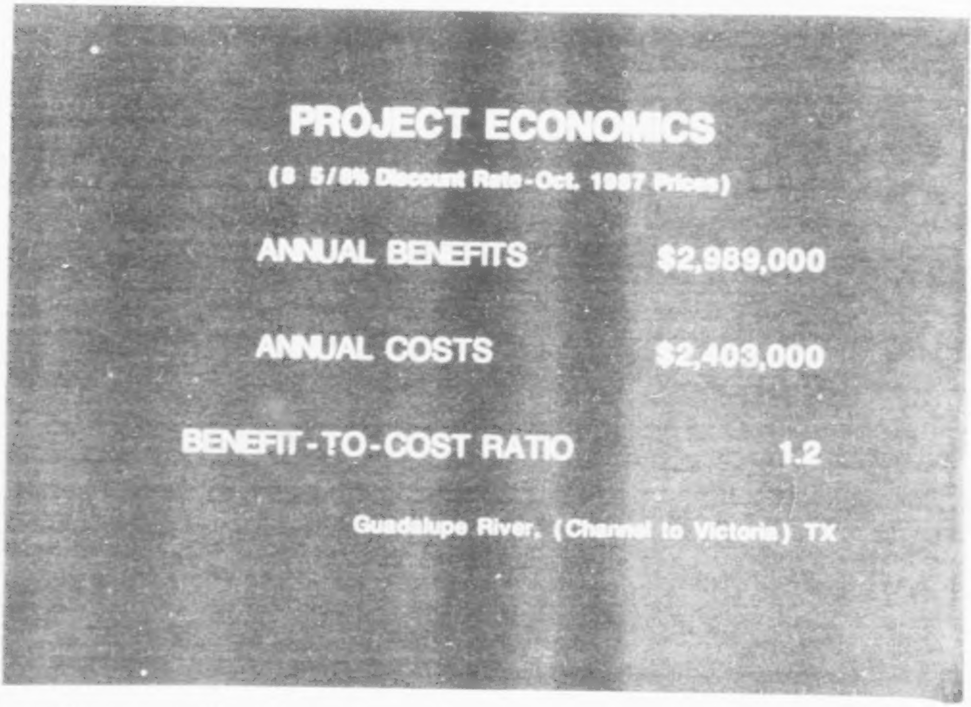
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$15,084,000
NON-FEDERAL COSTS	$8,830,000
TOTAL	$23,914,000
O & M COSTS	
FEDERAL O&M	$255,000
NON-FEDERAL O&M	52,000
TOTAL	$307,000

Guadalupe River, (Channel to Victoria) TX

Costs associated with the project are shown here.



PROJECT ECONOMICS

(8 5/8% Discount Rate-Oct. 1987 Prices)

ANNUAL BENEFITS	$2,989,000
ANNUAL COSTS	$2,403,000
BENEFIT-TO-COST RATIO	1.2

Guadalupe River, (Channel to Victoria) TX

Our annualized benefits and costs are depicted on this slide.

The Governor of Texas, the Victoria County Navigation District and the West Side Calhoun County Navigation District all support the project. The two navigation districts have also stated their intent to provide the necessary elements of local cooperation.

Our next report concerns flood damage reduction measures for areas in the City of Wichita Falls, Texas, subject to flooding from McGrath Creek.

Mr. Nowak. General, may I just on that navigation project, again the question of deepening, enlarging, the existing 9 foot deep by 100 foot wide channel to 12 foot deep, and 125 foot wide. Again, the question related to navigation. What type of goods do we anticipate this differential of 3 foot would accommodate?

General Sands. Sir, that is principally so that this particular section will be consistent with the authorized and existing navigation that's available on the Gulf Intercoastal Waterway. At the present time any barges transiting the Gulf Intercoastal Waterway at the maximum navigation depth would have to be light loaded in order to proceed up through this channel to Victoria. So, the basic purpose is to make this particular section consistent with the navigation system, barge-type traffic, to that particular point.

Mr. Nowak. Which is all 12 foot deep?

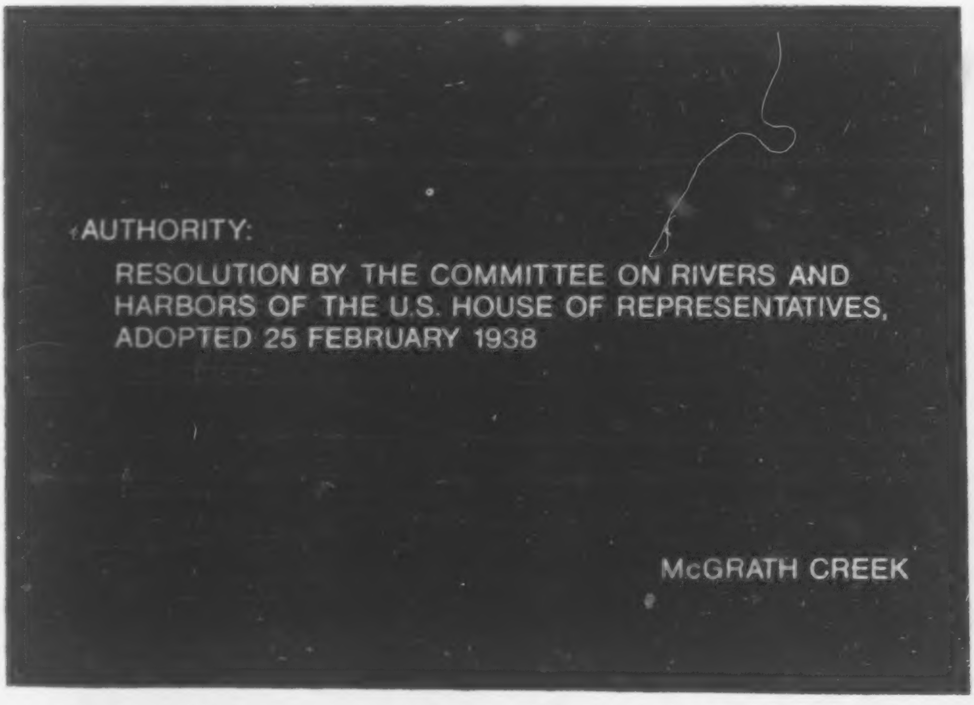
General Sands. Yes, sir, which predominantly would be petroleum-related projects principally.

Mr. Nowak. And that is 12 feet in the other channels?

General Sands. The Gulf Intercoastal Waterway, yes, sir.

Mr. Nowak. Okay, thank you.

General Sands. As I indicated, the next project is a flood damage reduction project for Wichita Falls, Texas.



AUTHORITY:

RESOLUTION BY THE COMMITTEE ON RIVERS AND HARBORS OF THE U.S. HOUSE OF REPRESENTATIVES, ADOPTED 25 FEBRUARY 1938

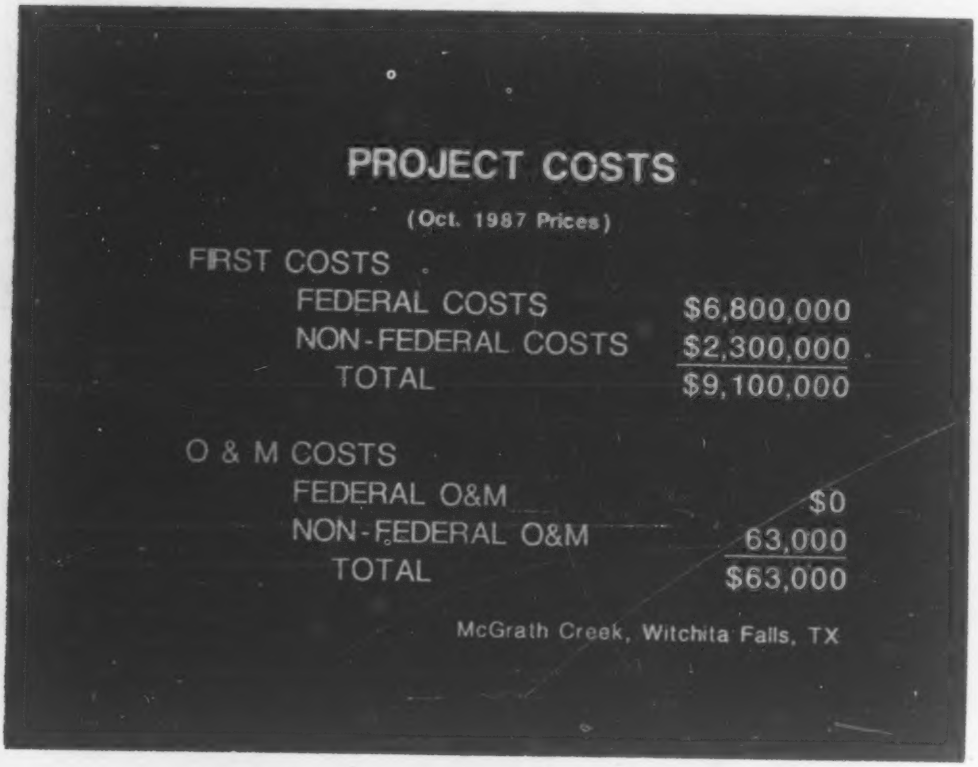
McGRATH CREEK

The report is in response to this authority and is currently under review by the Assistant Secretary.

Wichita Falls is subject to flooding from McGrath Creek. McGrath Creek drains a highly urbanized area of about 6 square miles. Sikes Lake, a shallow 20 acre impoundment, is located on McGrath Creek about one mile upstream from its confluence with Holliday Creek.

During the flood of 12 and 13 May 1982, the McGrath Creek watershed experienced an estimated $21.5 million flood damages. Existing average annual flood damages would total about $1.8 million.

The recommended plan consists of a concrete rectangular channel seven-tenths of a mile in length and construction of a new spillway at Sikes Lake. The channel would be 35 feet wide and would run from the lake to a drop structure at the mouth of McGrath Creek, a distance of approximately 3,600 feet. The drop structure is part of the authorized Holliday Creek channel modification plan.



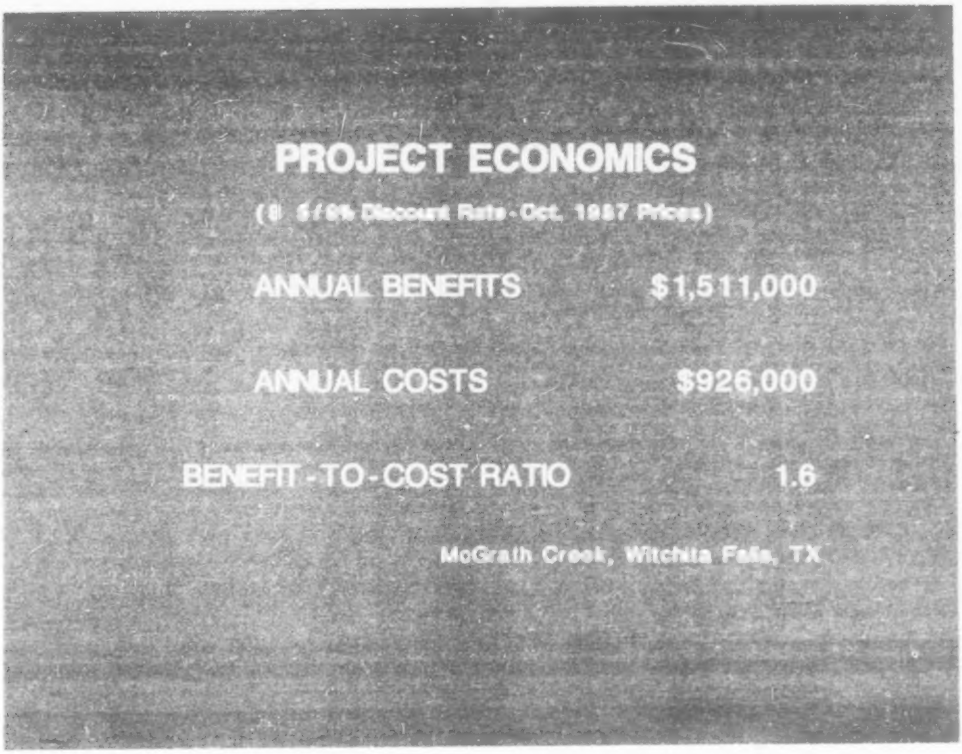
PROJECT COSTS

(Oct. 1987 Prices)

FIRST COSTS	
FEDERAL COSTS	$6,800,000
NON-FEDERAL COSTS	$2,300,000
TOTAL	$9,100,000
O & M COSTS	
FEDERAL O&M	$0
NON-FEDERAL O&M	63,000
TOTAL	$63,000

McGrath Creek, Witchita Falls, TX

Costs associated with the project are shown here.



PROJECT ECONOMICS

(8 5/8% Discount Rate - Oct. 1987 Prices)

ANNUAL BENEFITS	$1,511,000
ANNUAL COSTS	$926,000
BENEFIT-TO-COST RATIO	1.6

McGrath Creek, Witchita Falls, TX

Our annualized benefits and costs are shown on this slide.

The Texas Water Development Board, City of Wichita Falls, and Midwestern State University, the owner of Sikes Lake, have all expressed full support for the project. The City of Wichita Falls has agreed to provide all the elements for local cooperation.

Mr. Chairman, this concludes the very brief remarks that we had on each of the 18 projects. We would be happy to respond to any specific questions you may have on the projects or general questions concerning the 18.

Mr. Nowak. Thank you very much, General.

Let me turn to Mr. Stangeland for his first round of questioning.

Mr. Stangeland. Thank you, Mr. Chairman.

General Sands and Mr. Page, these are the projects that are in S. 2100. Is that correct?

General Sands. Sixteen of those are in the projects, sir.

Mr. Stangeland. Sixteen of these?

General Sands. Yes, 16 of the 18 are.

Mr. Stangeland. Which two are not?

Mr. Doyle. William H. Harsha Lake and Mill Creek.

Mr. Stangeland. It's my understanding that the Administration is not supportive of all 16, that there are some that the Administration opposes.

Mr. Doyle. That's correct, sir. There are six projects. The first six that General Sands discussed are supported by the Administration. The remainder are not supported; two because they have been reviewed and we find reasons with respect to those not to be able to support them. The rest, we have not finished our review and therefore are not in a position to support until that review is completed.

Mr. Stangeland. Do you want to comment on your opposition to the Chicago underflow plan?

Mr. Doyle. Yes, sir. In essence, it's a position of non-opposition. I'm sorry. It's a position of opposition due to an assessment that the project is essentially a storm water project and therefore not appropriate for Federal participation in accordance with longstanding policy in that regard.

Mr. Stangeland. The Wolf and Jordan Rivers and Bayou Portage?

Mr. Doyle. And with respect to Wolf and Jordan, the Administration believes that that is a project more appropriately developed, if it's to be developed, by non-Federal entities using whatever financing mechanism is available to them to collect their costs of construction through a user fee mechanism.

Mr. Stangeland. And lower Mission Creek in Santa Barbara?

Mr. Doyle. That is one that is currently pending completion of our review.

Mr. Stangeland. It does not have a Secretary's report?

Mr. Doyle. That's correct.

Mr. Stangeland. Does it have a chief's report?

Mr. Doyle. It has a Chief's report, but it doesn't have a Secretary's report.

Mr. Stangeland. And Nassau County?

Mr. Doyle. Same category. All the remaining projects are in the category of final Chief's reports, but pending in our office or beyond for finalization of the Administration position.

Mr. Stangeland. Okay. I have some other questions on other matters for the Secretary and anyone else who can answer.

First of all, on the drought—and we welcome you back, Mr. Page. I hope your drought meeting at the White House was fruitful. And maybe they ought to have done a rain dance down there.

Mr. Page. That's the only thing that's going to work I think.

Mr. Stangeland. It's extremely dry from my area all the way down through the central part of the United States, and it covers a tremendous area. And if we aren't in a severe drought now, we're very, very close to what will be a major disaster.

Mr. Page. Yes.

Mr. Stangeland. I'm wondering if you can describe what the Corps is doing to respond primarily to the problems of drinking water supplies and irrigation water supplies. And then I would like to have your thoughts on H.R. 4628 which was introduced by our colleague Congressman Coelho to respond to the drought.

Mr. Page. First off, I will respond as I did in the meeting. We had members from Energy, from the TVA, Corps of Engineers, Agriculture.

We have in the Corps anticipated I think, along with Agriculture, for the last several months the situation that is now coming to the point of a disaster. We have looked at all of the reservoirs in this country. We have been anticipating or monitoring reservoirs on the basis of forecasting out for one year. We are going to study the forecasts of those reservoirs now out further to see what the impact of this drought is going to do, what it will do if it continues.

The Corps has instituted now—and it has started in one of the major divisions, and we will do it in all—and that is a drought management plan. That plan is going to require a coordination between several elements, Energy, Agriculture primarily and ourselves. With that plan, as we discussed today, there will have to be determined the distribution of water and how that water is to be put on a priority basis eventually, if we get to that point.

As far as navigable waters are concerned, we are continuing to measure our major navigable rivers in this country. And we find, for example, in the Mississippi River now—and here sitting next to me is the authority on all of this. So, he'll correct me if I'm wrong—a normal 25 foot or a normal gauge 25. And using that as a reference, we are sitting now at about a 2.5. The Corps in that respect is working dredges and will keep those higher levels open for navigation. And, if necessary, if the time comes to more criticality, we have dredges that are in mothballs that we brought into operation to keep the navigational waterways open. That is a matter of national emergency.

The Department of Agriculture has done and is doing what I think is a very fine study and that is how they can work with us.

And we will have to be working together starting Monday, our first meeting. The three co-chairmen, I being one — and the Secretaries of Agriculture and Interior are the other two. We are going to look at these regional management plans, drought plans, that we have, determine where we're going to be going in stages of criticality.

There will have to be money appropriated, and it will be done—Jim Miller was there. We will establish budgets for what it requires and studies, preliminary studies and final studies, in each one of these stages, and then what action is going to be required, and what kind of funds those are going to require. OMB will be alerted to that and it will be part of that study.

As I say, the three parties will eventually conclude as we hope, amalgamate, bring these studies together as to how all agencies can work as one to cope with this problem. Congressional members there were very specific, and I think Congressman Cheney more than any because he was actually a spokesman.

As we move through the processes that we are trying to encounter to mobilize our forces to utilize the water as best we can and ration out or put it out to a point as to priority, if we get to that point—hopefully, we won't—please bring up what impediments are in any of our way in regard to present legislation or restrictions upon which we are working. If there is legislation or we have our own restrictions or bounds in which we can work—if they become an impediment, bring them up and we will see what they can do to eliminate that.

I don't think that there was a person in the room—and I know, as you are concerned—that sees anything but a worsening of this problem. We had a meteorologist there from the Department of Agriculture, and he gave us really no indication that we were going to see any relief whatsoever in the foreseeable future, whenever that is.

Energy feels that at this point in working with us—and they used Bonneville Dam for an example—is that our power output is severely decreasing. And there must be other ways to be able to pick up on the power because the hydro is at a point now which they consider bad and will probably go to worse. So, we have to look at all kinds of alternatives to pick up where the shortages are and distribute it to where it is needed.

You asked me to respond to something that happened in the first meeting, and that's just about basically it. And we're going to get together on Monday.

Mr. STANGELAND. Let me say that I think it was the day before yesterday I saw USDA's meteorologist report. And frankly, for the conditions that I see out there and the weather patterns that I see, I thought his report was very bullish. And I think it's a whole hell of a lot worse than the report stated. He's talking about above normal rainfall for the days of the 19th to the 23rd of June up in my area, and I see no way that we have above normal rainfall coming unless the patterns change drastically. And so, there's no doubt it's going to worsen.

Mr. PAGE. They had rainfall charts and predictions and, of course, you can have those and look at them.

Mr. DOYLE. Congressman, if I could just add a thought with respect to the Coelho bill. We don't have a position as of yet. We do have some concerns about the possible effect that legislation might have on Corps reservoirs. We're taking a look at that question, and we also have some additional information relating to our own current Corps authorities that we'll be glad to provide to you for the record.

[The information received from Mr. Doyle follows:]

ARMY POSITION ON H.R. 4628, AS MODIFIED AND ADOPTED BY THE HOUSE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS AS AN AMENDMENT TO S. 795

The Department of the Army opposes this legislation to the extent that its provisions are not limited to Federal reclamation projects. In directing the Secretary of the Interior to undertake certain measures to deal with the drought, provisions of the legislation clearly should be limited to Federal reclamation projects.

In addition, at a minimum, the provisions in the legislation dealing with the Secretary of the Interior assisting willing sellers and buyers in the purchase of water are unclear. Further, we are concerned the Department of the Interior "assistance" could extend to "marketing" and "redistributing" water at water resources projects under the jurisdiction of the Secretary of the Army, contrary to the decision of the United States Supreme Court in *ETSI Pipeline Project* v. *Missouri*. Again, if such provisions were intended to deal only with Federal reclamation projects, that should be explicitly stated.

Finally, the legislation requires the Secretary of the Interior to prepare legislative recommendations for a national plan for Federal agency response to drought problems. We believe that a call for a national response plan is duplicative of existing coordinated efforts by the Departments of Agriculture, the Interior, the Army, and others in the executive branch.

U.S. ARMY CORPS OF ENGINEERS AUTHORITIES RELATED TO DROUGHT ASSISTANCE

PROJECT SPECIFIC AUTHORITIES

Authorized project purposes are unique to each project, they include: navigation; flood control; power; water supply; recreation; fish and wildlife; and water quality. The Corps has considerable flexibility to manage available water in the public interest during drought conditions; however, they must operate within the constraints of the project authorization.

PUBLIC LAW 84-99

Authority to provide water to a drought distressed area was given the Secretary of the Army by P.L. 95-51 amendment to P.L. 84-99.

The authority provides for transport of water for human and livestock consumption at Federal expense and drilling of wells, to be reimbursed by the project sponsor.

The authority does not provide for the purchase of needed water or for the distribution system required.

A request from a rancher, farmer, or political subdivision can trigger an investigation.

Assistance can only be provided if the Assistant Secretary of Army (Civil Works) determines the area to be drought distressed.

EXECUTIVE ORDER 11490

Executive Order 11490 assigns planning coordination responsibility for management of water resources during national security emergencies or natural and domestic emergencies with national security implications to the Secretary of Defense. The responsibility for this mission has been delegated to the Secretary of the Army who has further delegated execution of the mission to the U.S. Army Corps of Engineers. The Corps can provide leadership, integration, and direction to Federal, state, and local agencies having responsibilities related to the management of water resources in their respective jurisdictions.

PUBLIC LAW 78–534 (SECTION 6 OF THE 1944 FLOOD CONTROL ACT)

The Secretary of the Army can contract with states, cities and individuals for domestic and industrial uses of surplus water available at reservoirs.

PUBLIC LAW 99–662 (SECTION 931 OF WRDA 1986)

Secretary of the Army can allocate water which was allocated for M&I use, but not under contract, for interim agricultural use.

Mr. STANGELAND. You mentioned the rivers and navigability. I wonder if you want to comment on your capability to maintain navigation. I read in the paper today that there's something like 350 or 400 barges down in Mississippi that are stalled, and they expect that that number could double over the next couple of days. You might want to comment on your capability both in-house and through contractors. I understand that your dredge capability in-house has been lessened. You are depending more on outside contractors. How rapidly can they respond to keep commerce moving? And also, are you in communication in discussing this situation with the various affected shipping interests?

Mr. PAGE. Yes, sir. I will just start with that, and then please, if you don't mind, turn it over to General Sands. After all, he is actually head of that division which is right in the heart of that entire area down there.

But I wanted to mention that we did point out in our meeting today that we have activated an emergency operations center here in Washington at the Corps headquarters, and will now begin to put these action plans into effect. And we will monitor and coordinate from that position.

As far as the barges are concerned, we did discuss that. We have a report on that here, but I would like then to have it come right from the person who gave me the information, General Sands.

General SANDS. Sir, we do have a problem on the lower Mississippi system and, of course, it's affecting other systems. There is a current blockage on the Ohio about 10 miles from its confluence with the Mississippi. We will have a dredge working that. We hope to have that cleared up by late this evening.

There are approximately 50 tows currently waiting in that general area. We've got one dredge working in the St. Louis area. We have four dredges right now working on that stretch of the river from Cairo, Illinois to about Greenville, Mississippi. We have had severe restriction in the Greenville, Mississippi area which is about 534 river miles from the Gulf. Traffic is currently flowing on the Mississippi, but it is certainly going to be slow because of the constraints in the area.

You have quite correctly pointed out that we do have somewhat of a problem in our dredging resources. However, at this particular point in time, we have not reached that point where we are extremists. We are going to be able in due time to get the navigation going. We could reach, if the conditions continue to worsen, that problem where we do reach that critical point in time.

We currently have river patrols in those areas where we do expect that we might have problems. We can in a number of cases predict where major shoaling will occur, which is generally in the crossings where the current changes from one side of the river to the other. But we do get surprised every now and then. While we can predict quite well where the river stage is going to be, determining where the bottom is at any particular point in time is done with great difficulty.

And I also might comment that all of our divisions and districts right now are working with all of those local emergency officials that are concerned with the water resources, and in particular the drought problem, in each of their respective areas of responsibility. We do update navigation interests. We are in constant communications with the Coast Guard and the various port authorities within the system.

Mr. PAGE. That's the chart that we used this morning. That explains what the General was just talking about. It was drawn up as a sketch.

Mr. STANGELAND. Okay. Then we will get on to discuss the act of 1986. A few years ago the GAO estimated that the average Corps project took around 20 years to implement. I'm wondering if you could describe the steps you're taking to speed up that process, what further steps you would recommend, and is there anything that we in Congress need to do to help you and assist you in that speed-up process?

Mr. PAGE. If you don't mind, sir, I will lead off briefly. We started this program which we call Initiative '88, and the purpose of that Initiative '88 was to do a number of things. Most of them would be to save money and shorten the time of our projects, which we feel is necessary, in the process of this whole package that we put together which is not only putting project management into the scheme of things, more rigidly controlling our money, preparing better estimates, but the big way to reduce costs is to reduce time. When you're talking about large projects and you look at up to 20 years' time to get it through a laborious process of approval, to the point of initiation of construction, we take projects and you can almost quadruple them in cost.

So, one of the parts of the initiatives were to take a look at our approval string, as it happens, to reduce that to take some of the superfluous ones, overlap them, eliminate some. And I believe that our average time now—from almost 16 years, we're down to about

10 years now and believe that figure can and will be reduced further.

The purpose really is when you're dealing with 99-662 and you're on a cost-sharing basis with the private sector, they are borrowing their money up front, and it's based upon a cash flow-out over a certain period of time. And if you begin to string that out too long, the cost of the project gets unbearable and loses its cost-benefit ratio for them.

That is the thing that we are doing. I think that we have made a lot of strides in that as far as what can be done.

On the congressional side to improve that, I will leave that to others that would like to speak to that issue who are more impassioned towards that than I am. John?

Mr. Doyle. I'd be happy to, sir.

There are two things I think that come to mind immediately. One is the subject that we're sitting here dealing with. If we can return to a biennial authorization process, it will do as much as anything I can think of to help this program continue to maintain the momentum that you have give us two years ago with the new act. It will keep us with modern projects, good projects, moving through the system in a way that keeps a pipeline full, if you will, that keeps us focusing on the right things rather than getting things in big slugs every 16 years. So, that is one item.

The other item is in the appropriations process, when the projects are ready to go, when they are ready to be constructed, to keep them moving so that there aren't major pauses while we wait for funding to be forthcoming.

I think those are the two biggest areas that Congress can help us.

Mr. Page. Did that answer——

Mr. Stangeland. Yes. That answers it fairly well.

One sidelight—and I think, John, you recall—when we talked about the cost sharing, my concern was for those areas that were fairly wealthy and could come up with their share of the cost, they were going to go forward with the projects. The lesser affluent areas that had a more difficult time coming up with the cost sharing might not be as easily considered. And I'm wondering, as you go to appropriations, is this one way that you determine your priorities? In other words, the higher priorities are those that can come up with a higher cost sharing and, consequently, require fewer Federal dollars as a percent of the total cost of the project. And lower priority is given to those projects that are just as needful, or even more needful, but because the Federal share is going to be substantially higher as a percent of the total cost of the project, may not be requested for funding. And I'm speaking now from the Administration's point of view and what they recommend.

Mr. Doyle. Yes, sir. I recall your concern. I think it's a very legitimate concern. I think it is shared by many throughout the country. Thus far, we have not seen in the program the phenomenon developing. It is something that we need to watch very carefully.

You gave us a mechanism to help deal with the phenomenon, at least in the flood control and agriculture water supply area through the ability to pay provision which we have implemented.

And that provision has resulted in providing relief for one of the eight projects that we're subject to so far. So, there is a mechanism out there to provide some relief. We're going to have to watch closely to make sure that the program is moving forward in the proper and equitable way.

Mr. **Stangeland**. Well, I would hope as you come forward to request funding, and particularly when we talk about every two-year authorization, that some of these projects in the less affluent areas don't drop through the cracks.

The 1986 act provided for new cost sharing for deep draft improvements. And in most cases the local sponsor is easy to identify and cost sharing relatively easy to implement. The port that benefits from the harbor to channel project pays the non-Federal share. However, where the navigation improvement may serve several different ports, as in the case of the Chesapeake and Delaware canal or the Great Lakes connecting channels, it is far more difficult to implement cost sharing.

Have you taken a look at how best to allocate cost sharing responsibilities where there is more than one beneficiary? Specifically, what is your experience with respect to finding a project sponsor for the Sault St. Marie project? And I think that's a prime example of the problem. There is no one specific sponsor. However, there are many, many beneficiaries, and I'm thinking of all of the ports on the Great Lakes that benefit. Sault St. Marie sure doesn't benefit from any channel improvement. So, they aren't going to be a local sponsor. How do we find that local sponsor and coordinate the efforts of all those various ports that benefit from the project?

Mr. **Doyle**. All of our projects, of course, are formulated in a way that identify the benefits for the entire Nation, and that is the basis for the strong Federal participation that we have. There's a recognition that not just the area that the project is in benefits from the project; the entire country benefits. And that's the reason we have the strong Federal participation and project development with respect to Sault St. Marie.

I know that discussions have taken place with respect to possibly identifying a project sponsor. We have talked to the Great Lakes Association. We have talked to some of the individual States up there. I do not believe that we have concluded those discussions in a way that has identified a sponsor yet, but we are continuing to try and do that.

Mrs. **Bentley**. Would the gentleman yield on that?

Mr. **Stangeland**. I'd be happy to yield.

Mrs. **Bentley**. We are talking about the need of some more improvements at the Chesapeake and Delaware Canal, which the gentleman from Minnesota mentioned. Would either Philadelphia or Baltimore or Maryland or Pennsylvania be responsible for that, or would it just be something that because you can't determine who's the beneficiary, that the Corps would do?

Mr. **Doyle**. It depends at what stage we're talking. As I understand the C&D, the Chesapeake and Delaware, opportunity, there is first needed a recon level study to identify whether or not there is a feasible Federal project there worth pursuing. That recon study would be done at full Federal expense. If that recon study led to identification of a feasible project, then we would want to go into a cost-shared feasibility study, 50 percent of the cost of which would come from the non-Federal sector. That could come from any non-Federal party or parties willing to provide that share. And then, of course, that same thing would be true with respect to developing a project down the road. So, it could be either State or both or sub-entities of the States.

Mrs. BENTLEY. I thank the gentleman.

Mr. STANGELAND. I thank the gentlelady. And I would just reclaim my time.

How do you allocate, though, the non-Federal share of that project to, let's say, Superior, Chicago, every harbor on the Great Lakes for the improvement and the benefit that they receive from the improvement at Sault St. Marie? I think you leave it up to them. But how do we get them to get together?

General SANDS. Sir, that's really the challenge that we have. Quite simply it has to be done on a case-by-case basis identifying the specific project and the specific beneficiaries of that project and trying to appropriately allocate the cost of the projects to the benefits received. And we do go through that project.

One project that I just talked about, the Louisiana estuarine area study, I noted that both the States of Louisiana and Mississippi were involved in that project during the development of that project at the point in time when we did make an attempt to identify how those benefits were, and we could have, if necessary, allocated costs relative to those. And we do that in not only navigation interests, which you've talked about here, but also in those cases where flood control or any other specific water resource project is being developed. It's a strictly case-by-case basis, try to relate as near as possible the cost to the beneficiaries that have been identified.

Mr. STANGELAND. Now, you recently sent up or the Administration recently sent up legislation to transfer authority for regulation of bridges, including the Truman Hobbs Authority, from DOT to the Corps. Do you recommend inclusion of this transfer legislation in a comprehensive water resources bill, and could you describe how the transfer would take effect? Would spaces be transferred along with the authority or would the Corps have to simply assume the new responsibility within its existing capability?

Mr. DOYLE. With respect to the first question, I think our preference would be, Congressman, that that legislation move separately, not as a part of an omnibus water bill or a minibus bill, which is what we are calling this effort.

The understanding that we have, going to your second question, is that spaces would accompany the transfer of the function from the Department of Transportation to the Corps of Engineers so that the basic assumption the Administration is operating from is we get the new responsibilities and we get the FTE to handle those responsibilities.

Mr. STANGELAND. Last year's continuing resolution directed the Corps to prepare a schedule of these to cover the entire cost of your regulatory programs. Can you describe how those fees were developed and give the committee your assessment of the wisdom of such a cost recovery program?

And I would also like to bring in, as long as we are talking fees, the recreational user fees. I would hope that you would provide for us what it costs the Corps to administer your recreational areas so that we have an idea of what costs you are incurring that you are currently not allowed to recover, also what income you are receiving from the recreational fees you are allowed to charge. I'm talking now about the overnight camping and this type of thing so we get an idea of what that income is.

And then if you could give us a more complete analysis of where the revenue would come from and how much revenue you would get if we gave you the authority to charge fees similar to what the National Park System charges or the Department of Agriculture charges as fees for theirs.

Mr. DOYLE. We'd be happy to do that.

[The information follows:]

Currently the Corps is charging overnight camping fees and special group use fees at facilities which meet the requirements stated in the Land Water Conservation Fund Act, as amended, and only at those facilities where it has been determined to be economically feasible to collect such fees.

If proposed user fee legislation is passed, the Corps will require, where feasible, single visit fees or seasonal passes to enter Corps managed, operated, and maintained day use areas which have potable water and sanitary facilities, and provide access to, picnic sites, improved swim areas, boat ramps, etc. Fees will not be charged to enter projects or use other areas. The proposed legislation would also authorize the Corps to convert previously designated free of charge camping areas to improved campgrounds and allow the collection of user fees. This expansion in the user fee program would require additional up-front investment to improve these facilities and construct controlled access points where required and feasible.

FY 87 costs and user fee revenues, and an analysis of projected FY 89 revenues from an expanded user fee program follow.

RECREATION AREA
OPERATION AND MAINTENANCE COSTS / REVENUES

YEAR	O & M COSTS (Millions)	USER FEE REVENUES (Millions)
1987	$ 145.0	$ 13.4

PROJECTED INCREASED FY 89 REVENUES

Assumptions:

- * Day-use facility, launch ramp users will pay user fee, others will not be charged.
- * Free camping areas will be converted to fee areas, with fees comparable to those at existing Corps facilities.
- * Visitation to recreation areas will be reduced as a result of fees.
- * Not all recreation areas are suitable for collection of entrance fees.

Calculations:

* Day-use Facility Fees

- 1400 total day-use sites.
- 300 sites unsuitable for collection.
- 1100 sites = 55 million visits/year.

-- 400K seasonal passes	$ 10.0
-- 8.8 Mil single vehicle entries ..	$ 8.8
Total (Mil)	$ 18.8

* Additional Camping Fees

- 180 free camp areas converted to fee ...	$ 1.0
Total (Mil)	$ 1.0

Proposed User Fees	Total (Mil)	$ 19.8

SUMMARY OF PROJECTED FY 89 REVENUES GENERATED FROM PROPOSED AND EXISTING AUTHORITIES

* Proposed Day-use Fees	$ 18.8
* Proposed Additional Camping Fees	$ 1.0
* Existing Camping/Special Use Fees	$ 13.5
Total Revenues	$ 33.3
Total O&M Costs	$145.0
Net O&M Costs (Mil)	$111.7

With respect to the first question, the regulatory fee proposal, I would like to set the stage for that, if I could. Last year we were requesting $5 million additional for our regulatory program from the Congress. In dealing with the appropriations committees on that issue, there was an unwillingness to grant the request until we had submitted the proposal that you just described, a cost recovery proposal which the appropriations committees asked us for that would fully recover the costs of the regulatory program.

We went ahead and developed that proposal, submitted it to them earlier this year. We indicated at the same time that we do not think such a proposal is advisable. We don't believe that the entire costs of the regulatory program should be recovered through any kind of a regulatory fee mechanism. That is not to say, however, that none should. And we think there may be a reasonable portion of the total costs that could be recovered through such a fee system.

Mr. STANGELAND. Thank you, Mr. Chairman. I have some more questions, but I will forego further questions until the rest of the committee have had a chance to ask their questions.

Mr. NOWAK. Thank you very much.

We will now turn to Helen Bentley from Maryland.

Mrs. BENTLEY. I'll be very brief, Mr. Chairman. Thank you.

I'm sorry I haven't had a chance to hear all of your testimony this morning. I have always had a great respect for the Army Corps of Engineers and all the work they have done over the years.

One of the most contentious issues during the 1986 conference involved port harbor user fees, and that was part of what Mr. Stangeland was referring to this morning. Section 208 of the 1986 act was the resulting compromise. What has the Corps done to implement and oversee this provision, and is it working?

Mr. DOYLE. We have issued, Congresswoman Bentley, regulations to implement that authority. The essence of those regulations has us carrying out the statutory responsibilities that you gave us in Public Law 99-662 which are essentially to make sure that the public has available to it through the Federal Register any individual port system's user fee proposal and beyond that remain in a posture of neutrality, if you will, with respect to which port might levy what kind of user fees on what basis.

The position that we have taken is a position that Congress has given us, and that is to provide the authority to the individual ports, if they want to use that authority, to collect user fees. As you well remember and as you well stated, it was a tremendously contentious issue. And so the Congress in its wisdom left it up to the individual ports to decide to what extent they wanted to use that authority rather than imposing a system on them. And that's the approach that we have taken in implementing the act.

Mrs. BENTLEY. One of the problems we have had with the fee is the double fee on transshipped cargo of Four Mills. And I do have some legislation in to eliminate the double assessment on this cargo, and I hope that when that comes up down the line that the Corps will support that.

Mr. **Doyle**. Yes, ma'am. We are essentially on that issue deferring to the Department of the Treasury as the lead agency with respect to the Federal position.

Mrs. **Bentley**. All right. Thank you, Mr. Chairman.

Mr. **Nowak**. Thank you very much.

The Chair now recognizes Mr. Hastert. He has a unanimous consent request.

Mr. **Hastert**. Thank you, Mr. Chairman. I have a unanimous consent request to include as a part of the record the written testimony of Donald Hey, Director of the Des Plaines Wetlands River Project, and ask that that may be inserted in the record.

Mr. **Nowak**. Without objection.

[The statement of Donald Hey follows:]

TESTIMONY IN SUPPORT OF H.R. 4253

DES PLAINES RIVER WETLANDS DEMONSTRATION PROJECT AUTHORIZATION

presented to
House Committee on
Public Works and Transportation
Sub-Committee on Water Reservoirs
by
Dr. Donald L. Hey

Mr. Chairman, we ask you and your colleagues to authorize the Army Corps of Engineers to spend $2.2 million for the Des Plaines River Wetlands Demonstration Project. By our testimony, we intend to convince you of the worthiness of our project. I think we will succeed.

The project is innovative and unique. It is a solid, well-thought out project with good science and sound technology. It has substantial public support and will return substantial public benefits -- economic, environmental, and quality of life benefits. You can help us provide these benefits by supporting H.R. 4253. We would ask, however, to incorporate in H.R. 4253 the same language as was approved by the Senate. The language is contained S. 2100, Sec. 305.

Our project, involving wetland restoration, directly serves important national priorities: conservation of natural resources, preservation of wildlife, reduction of flood damages, maintenance of navigation and improvement of water quality. This project addresses these national priorities through rigorous and comprehensive research. It is not just a local restoration project. It is research and demonstration, a national model, a technological necessity which has the potential for turning this country around in the way it solves the problems of flooding, dirty water, sterile environments, and endangered species. The benefits are not to Lake County, Illinois alone: they are to the country. More importantly, it promises an efficient and economical solution to the water related, environmental problems that we face today.

The Army Corps of Engineers is the appropriate agency to fund this project. This agency's responsibility stems from the Rivers and Harbors Act of 1899, the Flood Control Act of 1936 and the Clean Water Act of 1977. Accordingly, this agency is responsible for maintaining our waterways free from obstructions, preventing and controlling floods and protecting wetlands.

For over a hundred years, we as a nation have been plagued by severe flooding, fouled and polluted waterways, and declining wildlife. Despite the hundreds of billions of dollars that we have spent attempting to solve these problems, they remain with us today and are expanding. Flood losses are increasing, groundwater quality deteriorating, many of our streams and rivers remain unfishable and unswimmable, and waterfowl populations are declining. These are formidable environmental problems; but, now, a new environmental concern is being raised--that of wetland losses.

Despite the continental scale of wetland losses that have occurred over that last 150 years, little attention has been given to these losses or to the relationship between these losses and the onslaught of environmental degradation. Yet, there is an important, fundamental relationship. Wetlands benignly contain floodwaters, trap sediments and other pollutants, and provide wildlife habitat. As we lost our wetlands, we lost a critical environmental buffer and, at the same time, we created the problems that visit us today. The preservation and re-creation of wetlands offer the most effective, economical solution to these problems.

The relationship between wetland losses and environmental degradation did not go entirely unnoticed. In 1914, and engineer with the U.S. Geological Survey observed that flooding on the Des Plaines River in Illinois was increasing in severity and frequency. He related this phenomenon to the changing land use in the tributary watershed--clearing of forests and draining of wetlands. Unfortunately this engineer did not recommend maintaining an economical balance between development and the preservation of nature's flood control facilities. Instead, he recommended that the new flood prone lands be protected by levees and dams. Before and since then, these tactical solutions have been employed all too often without achieving the desired results as the current statistics on flood losses in the United States reveal.

In the process of creating one of the worlds most productive agricultural industries, we failed to recognize the important water quality functions that wetlands serve. They recycle nutrients and trap and immobilize sediments. Without wetlands, these contaminants remain in the stream fouling and clouding the water limiting its use by man and wildlife alike. Despite the $200 billion that the federal government has invested, over the last 15 years, in constructing municipal wastewater treatment plants and despite the fact that the chemical quality of our streams is better today, the much sought after goal, making our streams and rivers fishable and swimmable, has not been achieved. In part, it is because the tactical structures that we built to control municipal and industrial pollutants do not control or treat the vast array of pollutants emanating from non-point sources. More importantly, the channeled streams required for agricultural drainage and flood control do not provide the habitat conditions for the plants and animals that are so necessary to maintain clean, productive, ecologically balanced streams. To achieve the goal of the Clean Water Act, wetlands are essential.

The common denominator to our water related, environmental problems is the loss of wetlands. Consider, for example, the Mississippi watershed. Sixty-one million acres of wetlands, approximately 8 percent of the tributary area, have been drained. If the entire flow of the Mississippi River, as measured at New Orleans, were directed into these 61 million acres, it would take 4 months for the water to reach a depth of three feet. Is there any wonder why we suffer from flooding in this and similar watersheds? The former wetlands of the Mississippi River would provide a hundred times the wastewater treatment capacity of an equivalent concrete and steel alternative. They would remove up to 80 percent of the existing sediment load. The habitat provided by these wetlands was enormous. The effects of their loss on wildlife might best be portrayed by the vision of an empty sky which was once darkened by ducks and geese rising over the vast wetland expanses. Our wildlife refuges pale by contrast.

Dams, levees, dredging operations, wastewater treatment plants and wildlife preserves are all tactical weapons in the war being fought for a better environment. While a few battles may have been won by using these devices, we are not winning the war. These tactical weapons all too often have proved ineffective and economically indefensible. Wetlands restoration and re-creation, on the other hand, offers a strategic solution with multiple ancillary benefits. While we cannot afford, economically, to replace all of the wetlands that have been lost, well designed and managed, re-created wetlands could make the difference: healing the scarred landscape, reducing flood losses, keeping sediments out of our waterways, improving water quality and providing essential wildlife habitat.

In the Mississippi watershed, if we returned a mere 10 percent of the 61 million acres of wetlands that have been drained, we could substantially reduce flood stages, improve water quality and provide for an abundance of wildlife. These benefits could be achieved with less than a one percent reduction in the agricultural production of the watershed and at a total capital cost of less than $30 billion. The benefits will be so great and immediate that restoration will attract investment from state and local governments as well as private industry -- a major new federal initiative is not in the making.

However, before launching such a program, we need to know how best to restore wetlands. We need the scientific and engineering information to design, construct and, then, maintain what we have built. This is the purpose of the Des Plaines River Wetlands Demonstration Project. The project is intended to produce the information necessary to develop systematic design, construction, and management criteria.

The research work is being overseen by a 15-person technical advisory committee. The advisors represent the extensive technical expertise of scientists from a variety of organization and institutions: Army Corps of Engineers, U.S. Environmental Protection Agency, universities and state agencies. The end products will be: a manual of design and construction, a manual of management, and on-site interpretation of the restored wetlands.

The project is unique in several regards. First, Wetlands Research, Inc., the not-for-profit organization responsible for the project, is governed by elected officials and private citizens. Three board members are Lake County, Illinois supervisors appointed by the President of the Forest Preserve District and four are private citizens appointed by the President of Open Lands Project, and organization dedicated to the preservation of open space. Wetlands Research, Inc., from its inception, has been dedicated to the broad based support and financing of this project. Funding has been provided by both public and private organizations and individuals.

The total cost of the project is $10.2 million. To date, $5.1 million has been raised -- 22 percent from the federal government, 66 percent from state and local governments, and 12 percent from the private sector. The overall funding strategy is to acquire 40 percent from the federal government, 40 percent from state and local governments and 20 percent from private interests. Given our past accomplishments and your support, we will achieve this funding goal.

With the money that we have received, we have been able to organize, design and partially implement the restoration and research work. Once the restoration is completed, the project will afford full-scale testing of design and management procedures, using the site's 450 acres of destroyed and highly disturbed wetlands and three miles of degraded river channel. Within this living laboratory, water movement will be rigorously controlled and monitored and the changes in flood flows, sediment loads, water quality and wildlife will be assessed. When the project is finished, the owner of the land, the Lake County Forest Preserve District, will maintain the wetlands.

This laboratory will be available to interested scientists from across the country to study wetland functions. The results will lead to cost effective, readily sustainable solutions to our water related, environmental problems -- problems that the Army Corps of Engineers is responsible for solving. I urge you and your colleagues to support H.R. 4253 so that this important work can be completed.

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Mr. **Hastert**. Mr. Chairman, I would also appreciate the opportunity to ask just a couple of questions.

Mr. **Nowak**. Prior to that, we have a statement of Mr. Foglietta from Pennsylvania, who was here earlier, and I would like to insert with unanimous consent his statement in the record. And without objection, it will be inserted.

Thank you, Mr. Hastert.

Mr. **Hastert**. Thank you, Mr. Chairman.

With respect to the Chicago underflow plan that the Corps is opposed to, I just would like to remind the members here who represent the Corps—you know, you are dealing with the DuPage River, the Salt Creek, the Des Plaines River, all of which happen to be not in my district. They represent Mr. Lipinski's area who is on this committee, Mr. Rostenkowski's area, Mr. Hyde's area. It kind of circles the City of Chicago. But they do empty into the Des Plaines River or what we call the sanitary canal eventually which does empty into my district. And there's a great deal of concern there of what is coming down in those discharges on annual or at least semiannual flooding.

And it is flooding that is the problem here. You talk about storm water retention and things like that. It happens to be flooding when we have rainstorms. And those rivers are the bodies that are being flooded. And I think you ought to recognize that.

And when you look at people in peril, we have 500,000 housing structures in that area that are in jeopardy at least annually, plus 170,000 structures that are flooded to a varying degree and have been in the last five years. So, I think that is something that when you talk about flooding and storm water problems, there really is a difference there. And I think it covers both of those areas. And I am making a statement on that behalf.

I look forward to working with you gentlemen on this bill and various aspects of it and appreciate your testimony today. Thank you.

Mr. **Nowak**. Thank you very much.

The Chair now recognizes Mr. Stangeland for any further questions he may have.

Mr. **Stangeland**. I would like to turn your attention now to the implementation of the new cost sharing in the context of recreation, and specifically, I am interested in the impact of the 1986 act on the Big South Fork project in Kentucky and Tennessee.

As I understand it, the Army argues that the work which is yet to be done in that project constitutes a separable element. And under the terms of the act, any new separable elements are to be cost-shared. On the other hand, the Congressional Research Service which has examined the issue has concluded that cost sharing should not apply because the Big South Fork project was authorized as a national recreation area.

Under the Federal Project Act, the legislation on which the recreation cost-sharing policy was based national recreation areas were exempt from cost sharing. Is it your view that Public Law 99-662 repealed the provisions in the Federal Project Recreation Act?

Mr. **Doyle**. Sir, we looked at the question very carefully of how Public Law 99-662 affected the Big South Fork project from the perspective of cost-sharing responsibilities and concluded, based on that review, that the cost sharing for any remaining separable elements not under construction prior to April 30, 1986 was to be established in Public Law 99-662.

We have recently received a copy of the CRS analysis and are looking at it, but have not seen anything yet to change our opinion.

Mr. STANGELAND. As you look at flood control projects, you have items or elements that are clearly separable, but in a recreational area, you have items that are not as easily separable. They are an integral part of the whole project. Yet, they do not all come in and come on at the same time. I'm just wondering—and I think we will probably revisit this at some other time and not belabor the point here.

I have visited with the colonel in charge of that district office. And there is concern by the Members of Congress that the CRS analysis is the correct analysis. We will, however, go over it again some other time.

On page 6 you state that the 1986 act gave local sponsors a greater voice in formulating projects and determining project recommendations. Has the Corps made sure of this other than by requiring local sponsors to participate more in cost sharing, and are non-Federal sponsors equal partners when they contribute 50 percent of the cost?

General SANDS. Sir, I will respond first and will let Mr. Davidson do the other. And I'm speaking from the perspective of the folks down at the bottom end that are implementing these things and just say from the standpoint of partnership, they are equal partners in the development of the plan and throughout the process regardless of their particular cost-sharing involvement in that process.

Mr. DAVIDSON. In the planning arena, we have guidance out to our districts that sets up a structure for the conduct of the cost-shared feasibility report that mandates that that part of that structure as equal partners are the non-Federal sponsors. For instance, we have an executive committee that has a district engineer and an equal status, non-Federal sponsor that oversees the entire feasibility study. If there are any contentious issues, like increase in costs, increase in time, these two folks get together and work it out.

For the conduct of the study at the study level, the local sponsor has or must have at his discretion, of course, a member of the team that carries out the actual feasibility study. So, in terms of the structure it causes the non-Federal sponsor to have to be involved. And, incidentally, the cost of their involvement is part of their in-kind credit.

Mr. STANGELAND. One last question. On page 14 and 15 of your testimony, you describe internal initiatives to expand the scope of feasibility studies, accelerate planning, design and construction, appoint project managers and control costs and schedules. Now, all of these sound very promising, could you elaborate on them?

Mr. PAGE. Yes, sir, I hope so.

We mentioned earlier that Initiative '88—and part of the question was—your question was part of that. We will accelerate and try to eliminate a lot of overlap in our approval procedures, accelerate that down to a point that makes it reasonable.

Going back again to the necessity, we feel because of 99-662 to put the Corps into a more private sector orientation and that is, gear themselves to work with that private sector in the way they work which means that we need to—and I missed out on this last question, but to bring the partner in at the very early part of the process. We need to bring him in at the early part of the process because we need that they share with the Corps up front what the requirements are for the project to understand what is in front of them so that they can be better informed to go out at that stage and get the necessary support and financing that is going to be required to carry that project forward.

In the past, as I understand it—and I've only been here about five, five and a half months—the introduction of a partner came later. It could have been in the feasibility stage.

But our intention was that in the approval process and in the execution of the work that we would enlarge that feasibility stage and at that time define the project better than it has been defined in the past, in other words, be able to establish a more founded budget, a better schedule, the cash flows and the design criteria. It is needed at that point rather than 35 percent design which we did in the past because that earlier signal has to go to the private sector portion. They can't wait that long to determine what that project is going to cost. If we get them in earlier, then we're looking now that they would share in the cost with us if we accelerate.

That's part of the acceleration process is to heavy-up, already on, accelerate the design estimating and budgetary criteria to be able to single-source focus all of the disciplines that are required in a project. And the project starts from the embryonic stage and, that is, it's study to preliminary work. It goes into design and then as it is designed, there are certain elements that are brought in. The construction is brought in. All the other elements are brought in to make sure that it is constructable, to tie in all of the necessary technical elements.

It will transcend through its life maybe four or five different stages. In the past in the transition, from one stage of engineering to another, from engineering then on to construction, construction on to completion, we may have never had one single owner of that project. It has been four or five people as it passed. When it went past their stage, then they no longer were responsible for that project.

We feel that our partner deserves and we deserve to know who we can look to on that project that's responsible for it from its very conception to the very end. And that's the purpose of the project manager to give him the tools to be able to carry out and execute that project in a manner in which he has the responsibility to do and the authority to carry forth. He has to have the tools, and that is the cost control mechanisms which are now being put into the Corps, and that is we are all cost accounting. All reporting is identical, same, unanimous. We hope that we can reduce the projects not only in cost but in time by using these initiatives. It's an entirely different program. It's a program that is what you would call a 1989 model in the private sector where you have to watch those projects. You have to compete.

Mr. **Stangeland**. Thank you.

I do have one last question. That wasn't the last one. I've got one more, Mr. Chairman. I have one here from Mr. Roth that I am going to insert now, and it's very quick.

Does the Corps have any objection to the deauthorization of the outer basin feature of the Federal project for improvements at Algoma Harbor, WI? And here's one where the Member of Congress is asking for deauthorization so that the project can be completed in a different fashion or work proceed in a different fashion.

Mr. DOYLE. It's my understanding, Congressman Stangeland, that we don't object to the deauthorization. We do have some technical suggestions to make with respect to that bill, and we would be glad to get together with you on that.

Mr. STANGELAND. If you could, we might include that in this bill that we will be marking up within the next couple of weeks.

You have, as I understand it, 12 projects in the Senate Bill 2100 that have Chief's reports, but lack secretarial approval.

Mr. DOYLE. I think it's 10.

Mr. STANGELAND. Okay, 10. I expect that you have a number of other projects with chief's reports that similarly lack secretarial approval that aren't in the Senate bill. Is it a possibility that some of these projects with chief's reports will receive secretarial approval between now and, let's say, the middle to latter part of September when we will have a conference report? Or will it be the intent of the Corps to withhold secretarial approval as a lever for not expanding on the scope of the bill?

Mr. DOYLE. Congressman, the answer to the first question is yes, it will be possible to have those positions. We are not at all proceeding with the view of trying to slow down the development of the Army position and, in fact, are going in the other direction. We hope to have as many of those out as we possibly can in time for the committees to consider them.

Mr. STANGELAND. The reason I asked—and I don't intend to be mean or look for devious motives from the Administration, but if we're going to go to a two-year authorization—and I see some projects here with some excellent C-B ratios, I think that projects, at least on the surface from what I view as very beneficial and very desirous, that we not restrict this down to only six. And we don't want to load you down with a Christmas tree either. You've got plenty on your plate from the 1986 act.

But then it will be another two years, and if we've got projects that are there first and are about ready to go, we shouldn't withhold them now if it is at all possible for us to get them approved; get them in and still not have a whole laundry list of projects in this bill.

So, I would encourage you to look at some of those projects and move as rapidly as possible. We may be putting some in our markup, and if they don't have secretarial approval and there's a threat of a veto of the bill if it gets too big, they'll have to be stripped in conference. But get them in there so that if the Secretary does approve them between now and the time we pass the conference report they are there. We can't add them later.

I thank you. Thank you, Mr. Chairman.

Mr. NOWAK. Thank you very much, Mr. Stangeland.

We have tried to look at all the various requests that have been made in light of really what was accomplished in 1986, and I think the Corps realizes the kinds of requests that this subcommittee will have before it as we go to look at the totality of the bill. And certainly the review of projects that are at the end of the cycle would, I think, enable us to provide the credibility to a large number of members that those things are being accomplished and that the proper process can be followed in the House relating to the appropriation process and insertion of anything in there that would require a waiver of a point of order by us.

So, we hope that we can develop a successful bill. We notice the great amounts of downsizing that you've had in your projects, and we think that reflects well on the aims of the 1986 act. And as we look forward to the cost-sharing requirements being refined, I think that also will increase the viability of these projects throughout the country.

And I think we have accomplished a tremendous step when that 1986 act has come into law. And it helps not only this subcommittee, but I think the Corps in working out an orderly process and brings in more people to look at these projects and be proud that we have a water resources program that in the end is going to be able to develop a program for water resource and to really look at the competing needs and uses of water throughout our Nation to try to bring the priorities where they will have most significant impacts for our Nation not only in the totality.

And we talk about the diversity of this country and how one use and project use may be appropriate in one area and totally inappropriate in another area. Trying to balance not only the competing needs, but the diversity out there is going to be a real challenge. And I think we've got a mechanism that I hope we can sustain and work with to keep everything on a cycle basis and certainly on a balanced basis as we go forward. But I think it's going to take everybody's cooperation so that the cycle is able to be moved forward at this point in time.

And we really appreciate the testimony today from the Corps. I think it puts in perspective the success that we anticipated when we passed that act and worked out those compromises in the 1986 act. And we look forward to generally being able to extend those accomplishments this year.

We are going to try to arrive at a consensus and look forward to working with you over the next several weeks and perhaps months in developing the House response to what is out there. And we appreciate again the cooperation that we received.

And as others have mentioned, as those projects get through your final reviews, if we can have them over, we will be calling on you I am sure, especially from now on to get more definitive in the kinds of requests we're going to receive and see where in our analysis we can arrive at a consensus to take over to the Senate and give something to the Administration that it will be happy with and that can go through the process and be approved subsequently by the President.

So, I think we are well on our way to accomplishing and carrying out the great progress that was made in the last year. And I think many people have come to look upon this water resource program as tremendously improved and something we can all be proud of as we work to carry it forward.

And with that, we will recess this hearing and look forward to that cooperation from the various assistant secretaries on down to the district people who really have to provide us with basic information. Thank you for your appearance, Secretary Page.

Mr. **Page**. Yes, sir. Thank you.

Mr. **Nowak**. And all the others. And, again, we will be back to you I am sure with a great deal of questions in the next several weeks. Thank you again.

The meeting is adjourned.

[Whereupon, at 12:37 p.m., the subcommittee was adjourned, to reconvene at the call of the Chair.]

[The prepared statements of Mayor General Sands, and Mr. Page follow; also responses from Mr. Page to supplemental questions submitted by Representative Stangeland:]

STATEMENT OF
MAJOR GENERAL THOMAS A. SANDS
ACTING DIRECTOR OF CIVIL WORKS
US ARMY
CORPS OF ENGINEERS

BEFORE THE

SUBCOMMITTEE ON WATER RESOURCES
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES
JUNE 16, 1988

NOT TO BE RELEASED UNTIL APPROVED BY THE SUBCOMMITTEE
ON WATER RESOURCES
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM MAJOR GENERAL SANDS. I AM ACTING DIRECTOR OF CIVIL WORKS. WITH ME TODAY IS MR. JIM DAVIDSON, ASSISTANT CHIEF OF MY PLANNING DIVISION. I WILL BRIEF YOU ON THE 18 WATER RESOURCES PROJECTS RECOMMENDED IN FEASIBILITY REPORTS FOR WHICH WE HAVE A FINAL CHIEF OF ENGINEERS REPORT. I WILL GO THROUGH A SLIDE PRESENTATION ON ALL 18. THE FIRST 6 WILL BE THOSE WHICH MR. PAGE TESTIFIED ARE SUPPORTED BY THE ADMINISTRATION. THEN I WILL DISCUSS THE 2 PROJECTS THE ADMINISTRATION DOES NOT SUPPORT. FINALLY I WILL PRESENT THE 10 PROJECTS ON WHICH THE ADMINISTRATION HAS NOT COMPLETED ITS REVIEW AND, THEREFORE, DOES NOT SUPPORT.

ALL OF THESE PROJECTS HAVE SATISFIED THE NEPA REQUIREMENTS FOR THE CURRENT REPORT STATUS. FOR ALL PROPOSED FLOOD CONTROL PROJECTS, THE AREA TO BE PROTECTED IS PARTICIPATING IN THE FLOOD INSURANCE PROGRAM. IN ADDITION, ALL PLANS RECOMMENDED ARE THE NATIONAL ECONOMIC DEVELOPMENT PLAN.

I WILL GIVE YOU A SUMMARY OF EACH PROJECT. DETAILED INFORMATION IS IN THE GREEN BOOKS I HAVE PROVIDED TO THE COMMITTEE. IF YOU HAVE QUESTIONS ON A SPECIFIC PROJECT, PLEASE ASK AS WE DISCUSS THAT PROJECT. I WILL ANSWER QUESTIONS OF A GENERAL NATURE AT THE END OF MY PRESENTATION.

THE FIRST REPORT COVERS THE REPLACEMENT OF LOCKS AND DAMS 52 AND 53 ON THE OHIO RIVER IN ILLINOIS AND KENTUCKY.

THE REPORT IS IN RESPONSE TO RESOLUTIONS OF THE U.S. SENATE COMMITTEE ON PUBLIC WORKS ADOPTED ON MAY 16, 1955, AND THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION ADOPTED ON MARCH 11, 1982. THE REPORT IS WITH THE CONGRESS.

LOCKS AND DAMS 52 AND 53 ARE LOCATED ON THE OHIO RIVER, APPROXIMATELY 42 AND 18 MILES RESPECTIVELY, ABOVE ITS CONFLUENCE WITH THE MISSISSIPPI RIVER.
THESE TWO PROJECTS ARE THE GATEWAY TO THE NAVIGATION SYSTEM OF THE OHIO RIVER VALLEY AS WELL AS THE CUMBERLAND AND THE TENNESSEE RIVERS. TRAFFIC THROUGH THESE TWO PROJECTS HAS GROWN MORE RAPIDLY THAN IN THE OVERALL OHIO RIVER BASIN.

COMMERCIAL BARGE TRAFFIC HAS INCREASED MORE THAN FIVEFOLD SINCE 1956 TO ABOUT 84 MILLION TONS IN 1986. WE EXPECT THE WATERBORNE TRAFFIC PASSING THESE PROJECTS TO CONTINUE TO INCREASE IN FUTURE YEARS.

WE ARE RECOMMENDING FOR AUTHORIZATION AT THIS TIME THE CONSTRUCTION OF A NEW LOCK AND DAM TO REPLACE THE EXISTING LOCKS AND DAMS 52 AND 53. THE NEW STRUCTURE WILL INCLUDE TWIN 110- BY 1,200-FOOT LONG LOCKS ADJACENT TO THE ILLINOIS BANK, A SPILLWAY SECTION CONTROLLED BY TAINTER GATES, A 1,120-FOOT WIDE NAVIGABLE PASS CONTROLLED BY DRUM GATES AND A FIXED WEIR EXTENDING TO THE KENTUCKY BANK.

THE RECOMMENDED PROJECT WOULD BE LOCATED ABOUT 17 MILES ABOVE THE CONFLUENCE OF THE MISSISSIPPI AND OHIO RIVERS, NEAR THE COMMUNITY OF OLMSTED, ILLINOIS.
TOTAL FIRST COST OF THE NEW WORK IS ESTIMATED AT $775 MILLION BASED ON OCTOBER 1987 PRICE LEVELS. THE ESTIMATED FIRST COST OF THIS PROJECT IS APPROXIMATELY $200 MILLION HIGHER THAN WHAT WAS REPORTED IN THE CHIEF'S REPORT. THIS INCREASE REFLECTS MAJOR DESIGN CHANGES IN THE LOCKS AND DAM AND LESS SIGNIFICANT CHANGES IN ROADS, CHANNELS AND CANALS. ONE-HALF OF THE COST WOULD BE BORNE BY THE FEDERAL GOVERNMENT AND THE OTHER HALF WOULD BE FUNDED FROM THE INLAND WATERWAYS TRUST FUND. ANNUAL O&M IS ESTIMATED AT $1,040,000.

THE BENEFIT-COST RATIO, AT AN INTEREST RATE OF 8-5/8 PERCENT AND AN ECONOMIC ANALYSIS PERIOD OF 50 YEARS, IS 2.2. AVERAGE ANNUAL COSTS AND BENEFITS ARE $95.1M AND $211.5M, RESPECTIVELY. THE STATES OF ILLINOIS AND KENTUCKY, LOCAL GOVERNMENTS, AND NAVIGATION AND LABOR INTERESTS SUPPORT THE PROJECT.

THIS REPORT COVERS FLOOD CONTROL IMPROVEMENTS ON THE NORTH FORK KENTUCKY RIVER AT HAZARD, KENTUCKY, AND VICINITY.

IT IS IN PARTIAL RESPONSE TO RESOLUTIONS OF THE COMMITTEES ON PUBLIC WORKS OF THE U.S. SENATE DATED MARCH 19, 1963, AND HOUSE OF REPRESENTATIVES DATED JUNE 19, 1963. THE REPORT ON THIS PROJECT IS WITH THE CONGRESS.

THE AREA INVESTIGATED IN THIS REPORT IS A 14-MILE REACH OF THE NORTH FORK KENTUCKY RIVER IN PERRY COUNTY IN EASTERN KENTUCKY.

FLOODING IS THE MAJOR WATER RESOURCE PROBLEM IN THIS AREA AS EVIDENCED BY THIS FLOOD OF 1963, AND THE ONE IN 1984. THE FLOODS ARE CHARACTERIZED BY HIGH VELOCITIES, SHORT DURATIONS AND EXTREME DEPTHS. THE 1957 FLOOD EVENT WAS THE FLOOD OF RECORD AND RESULTED IN FIVE DEATHS. A RECURRENCE OF THAT EVENT WOULD RESULT IN DAMAGES ESTIMATED TO EXCEED $60 MILLION. WE ARE RECOMMENDING FOR AUTHORIZATION AT THIS TIME A LAN CONSISTING OF CHANNEL WIDENING ALONG ABOUT 5.9 MILES OF THE NORTH FORK KENTUCKY RIVER. THIS PLAN WOULD PROVIDE 6-TO-25-YEAR FREQUENCY PROTECTION DEPENDING ON THE PROJECT REACH AND WOULD REDUCE STAGES FOR ALL FLOODS.

TOTAL FIRST COST OF THE RECOMMENDED PLAN IS ESTIMATED AT $7.45 MILLION BASED ON OCTOBER 1987 PRICE LEVELS. ANNUAL O&M IS ESTIMATED AT $39,000.

THE BENEFIT-COST RATIO, USING AN INTEREST RATE OF 8-5/8 PERCENT AND AN ECONOMIC ANALYSIS PERIOD OF 50 YEARS, IS 1.5. ANNUAL COSTS ARE ESTIMATED AT $754,000 AND BENEFITS ARE ESTIMATED AT $1,110,000. THE STATE OF KENTUCKY AND VARIOUS FEDERAL AGENCIES CONCUR WITH THIS REPORT.

THIS PROJECT IS THE TRUCKEE MEADOWS PROJECT, NEVADA. THE REPORT IS A FINAL RESPONSE TO SENATE PUBLIC WORKS COMMITTEE RESOLUTION DATED 7 FEBRUARY 1964. THE SECRETARY TRANSMITTED TO CONGRESS ON 7 DECEMBER 1987 THE FINAL REPORT OF THE CHIEF OF ENGINEERS DATED 25 JULY 1986.

THE PROJECT IS IN WASHOE AND STOREY COUNTIES, NEVADA AND INCLUDES THE TRUCKEE RIVER AND TRIBUTARIES IN THE RENO, SPARKS AND TRUCKEE MEADOWS URBAN AREA.

RAPID URBANIZATION HAS AND IS CONTINUING TO OCCUR IN THE TRUCKEE MEADOWS AREA WHERE THERE HAS BEEN A HISTORY OF SEVERE FLOODING. THE FLOOD OF RECORD OCCURRED IN 1955. FLOODING ALSO OCCURRED IN 1950, 1963, AND MOST RECENTLY IN FEBRUARY 1986. BY 1990, THE OVER 10,000 ACRE FLOOD PLAIN IS EXPECTED TO BE COMPLETELY URBANIZED INCLUDING DENSELY DEVELOPED INDUSTRIAL, COMMERCIAL, AND RESIDENTIAL AREAS. IF THESE HISTORICAL FLOOD EVENTS WERE TO RECUR, FLOOD DAMAGES WOULD BE DEVASTATING.

THE RECOMMENDED PLAN PROVIDES 100-YEAR FLOOD PROTECTION TO THE RENO-SPARKS AND TRUCKEE MEADOWS URBAN AREA USING A COMBINATION OF 7 MILES OF LEVEES, 5 MILES OF

FLOODWALLS, CHANNEL IMPROVEMENTS IN THE VICINITY OF BOOTH STREET, BETWEEN ARLINGTON AVENUE AND SIERRA STREET AND GLENDALE PARK AND A 900 ACRE OVERFLOW DETENTION STORAGE AREA. ALSO, ADDITIONAL RECREATION FACILITIES AND IMPROVEMENTS WOULD BE PROVIDED. THIRTY-ONE ACRES OF RIPARIAN VEGETATION WILL BE PLANTED ON PROJECT LANDS ALONG THE TRUCKEE RIVER AND STEAMBOAT CREEK FOR MITIGATION OF FISH AND WILDLIFE.

THE TOTAL FIRST COST OF THE PROJECT, BASED ON OCTOBER 1987 PRICES IS $78,400,000, ANNUAL O&M IS ESTIMATED AT $290,000.

USING A 50-YEAR PERIOD FOR ECONOMIC ANALYSIS AND A DISCOUNT RATE OF 8-5/8 PERCENT, AVERAGE ANNUAL COSTS ARE $7,160,000, AND AVERAGE ANNUAL BENEFITS ARE $13,220,000. THE RESULTANT BENEFIT- TO-COST RATIO IS 1.8. WASHOE COUNTY AND THE CITIES OF RENO AND SPARKS SUPPORT THE PROJECT.

THIS REPORT CONCERNS THE DELAWARE RIVER FROM PHILADELPHIA TO WILMINGTON, PENNSYLVANIA AND NEW JERSEY.

IT RESPONDS TO A SENATE PUBLIC WORKS COMMITTEE RESOLUTION ADOPTED ON MARCH 1, 1954, AND A HOUSE PUBLIC WORKS COMMITTEE RESOLUTION ADOPTED DECEMBER 2, 1970. THE CHIEF OF ENGINEERS REPORT WAS TRANSMITTED BY THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS) TO THE CONGRESS ON FEBRUARY 4, 1988.

THE PROJECT INVOLVES IMPROVEMENTS FOR NAVIGATION IN THE SCHUYLKILL RIVER - FROM THE MOUTH TO PENROSE AVENUE, PHILADELPHIA, PENNSYLVANIA - AND THE DELAWARE RIVER IN THE VICINITY OF CAMDEN, NEW JERSEY. A NEED EXISTS TO PROVIDE CHANNELS OF SUFFICIENT DIMENSIONS TO PERMIT EFFICIENT MOVEMENT OF FULLY LOADED DRY BULK AND GENERAL CARGO VESSELS. THE CHIEF OF ENGINEERS FINDS THAT NAVIGATION IMPROVEMENTS ARE ADVISABLE.

THE EXISTING FEDERAL NAVIGATION CHANNELS IN THE LOWER SCHUYLKILL RIVER PROVIDE A DEPTH OF 35 FEET.

THE RECOMMENDED PLAN CALLS FOR DEEPENING OF THE EXISTING CHANNEL TO 40 FEET.

THE AUTHORIZED DEPTH OF THE EXISTING FEDERAL PROJECT IN THE DELAWARE RIVER IN THE VICINITY OF CAMDEN IS 37 FEET.

THE RECOMMENDED PLAN WOULD DEEPEN THE EXISTING CHANNEL IN THE RIVER TO THE BECKETT STREET TERMINAL TO 40 FEET, AND PROVIDE A TURNING BASIN WITH A DEPTH OF 40 FEET.

THE TOTAL FIRST COST OF THE LOWER SCHUYLKILL RIVER PORTION OF THE PROJECT, BASED ON OCTOBER 1987 PRICE LEVELS, IS $11,840,000. THE FEDERAL SHARE WOULD BE $5,880,000 AND THE NON-FEDERAL SHARE WOULD BE $5,960,000. THE TOTAL FIRST COST OF THE BECKETT STREET TERMINAL PORTION OF THE PROJECT, BASED ON OCTOBER 1987 PRICE LEVELS IS $5,090,000. THE FEDERAL SHARE WOULD BE $3,110,000 AND THE NON-FEDERAL SHARE WOULD BE $1,980,000.

AVERAGE ANNUAL COSTS FOR THE LOWER SCHUYLKILL RIVER PORTION ARE $1,640,000 AND BENEFITS ARE $10,341,000, USING THE CURRENT INTEREST RATE OF 8-5/8 PERCENT, THE RESULTANT BENEFIT-COST RATIO IS 6.3. FOR THE BECKETT STREET TERMINAL PORTION, THE AVERAGE ANNUAL COSTS ARE $449,000 AND THE BENEFITS ARE $773,000. THE RESULTANT BENEFIT-COST RATIO IS 1.6.

THIS REPORT CONCERNS THE FLOOD PROTECTION WORKS FOR THE SCIOTO RIVER AT WEST COLUMBUS, OHIO.

IT IS IN RESPONSE TO A RESOLUTION ADOPTED IN 1970 BY THE HOUSE PUBLIC WORKS COMMITTEE. THE REPORT HAS BEEN SUBMITTED TO THE CONGRESS.

WEST COLUMBUS IS LOCATED IN THE CENTRAL PART OF THE STATE OF OHIO.

THE PROJECT AREA IS LOCATED ON THE RIGHT DESCENDING BANK OF THE SCIOTO RIVER IN THE WESTERN PART OF THE CITY OF COLUMBUS. IT IS A 2-SQUARE-MILE RESIDENTIAL AND COMMERCIAL AREA BOUNDED BY THE SCIOTO RIVER ON THE NORTH AND EAST AND INTERSTATE HIGHWAY 70 (I-70) ON THE SOUTH AND WEST. THIS COMMUNITY IS SUBJECT TO SEVERE RESIDENTIAL AND COMMERCIAL DAMAGE FROM RECURRING FLOODS. SIGNIFICANT HISTORICAL FLOODING OCCURRED IN MARCH 1913, JANUARY 1937, AND JANUARY 1959.

THE REPORT RECOMMENDS CONSTRUCTION OF A 3.3-MILE-LONG LEVEE AND FLOODWALL SYSTEM, WITH A NEW PUMPING STATION AND MODIFICATIONS TO EXISTING PUMPING STATIONS AND SEWER SYSTEMS, AND 17 GATE CLOSURES AT VEHICULAR AND RAILROAD ACCESS POINTS THROUGHOUT THE PROJECT.

TOTAL FIRST COST OF THE PROJECT IS ESTIMATED AT $31,562,000 AT OCTOBER 1987 PRICE LEVELS, OF WHICH $7,891,000 WOULD BE NON-FEDERAL. ANNUAL O&M COSTS ARE ESTIMATED AT $95,000.

AVERAGE ANNUAL COSTS ARE $3,087,000 AND AVERAGE ANNUAL BENEFITS ARE $10,551,000. THE BENEFIT-COST RATIO, USING AN ECONOMIC ANALYSIS OF 100 YEARS AND AN INTEREST RATE OF 8-5/8 PERCENT IS 3.4.

LOCAL INTERESTS AND THE STATE OF OHIO SUPPORT THE PROJECT.

THIS REPORT CONCERNS COMMERCIAL NAVIGATION IMPROVEMENTS AT FORT PIERCE HARBOR, FLORIDA.

THE REPORT WAS PREPARED IN RESPONSE TO A SENATE RESOLUTION ADOPTED NOVEMBER 11, 1969. THE FINAL REPORT OF THE CHIEF OF ENGINEERS HAS BEEN REVIEWED AND WILL BE SUBMITTED TO CONGRESS IN THE NEXT FEW WEEKS.

FORT PIERCE HARBOR IS IN ST. LUCIE COUNTY, ON FLORIDA'S EAST COAST, APPROXIMATELY 50 MILES NORTHNORTHWEST OF PALM BEACH. THE EXISTING PROJECT AT FORT PIERCE CONSISTS OF A 27-FOOT-DEEP ENTRANCE CHANNEL, A 25-FOOT-DEEP INTERIOR CHANNEL AND A TURNING BASIN.

THE PROPOSED PLAN CALLS FOR DEEPENING AND WIDENING THE EXISTING PROJECT; CONSTRUCTING AN ADDITIONAL ACCESS CHANNEL; AND CONVERSION OF AN AREA FROM DEEP-WATER TO SHALLOW-WATER HABITAT.

BASED ON OCTOBER 1987 PRICE LEVELS, THE ESTIMATED TOTAL FIRST COST OF THE PROJECT $6,465,000. O&M IS ESTIMATED AT $58,000 ANNUALLY.

USING THE CURRENT INTEREST RATE OF 8-5/8 PERCENT PER YEAR, AVERAGE ANNUAL COSTS ARE $643,000 AND BENEFITS ARE $1,166,000. THE RESULTANT BENEFIT-COST RATIO IS 1.8.

THIS REPORT CONCERNS A FLOOD CONTROL PROJECT IN THE CHICAGO METROPOLITAN AREA, ILLINOIS.

THE REPORT IS IN RESPONSE TO SECTION 108 OF THE WATER RESOURCES DEVELOPMENT ACT OF 1976, P.L. 94-587. THE REPORT HAS BEEN REVIEWED AND IS OPPOSED BY THE ADMINISTRATION.

THE PROJECT STUDY AREA CONSISTS OF 341 SQUARE MILES OF A COMBINED SEWER SERVICE AREA IN CHICAGO, KNOWN AS THE DES PLAINES, MAINSTREAM AND CALUMET SYSTEMS SERVING 49 COMMUNITIES. AN O'HARE SYSTEM PROJECT, SIMILAR BUT SMALLER THAN THIS, WAS AUTHORIZED IN THE WATER RESOURCES DEVELOPMENT ACT OF 1986.

THE PRIMARY FLOODING PROBLEM IS BASEMENT AND STREET FLOODING DUE TO SEWER BACK-UP.

STORM EVENTS CAUSE SEWER OUTFALLS TO BECOME SUBMERGED OR PARTIALLY SUBMERGED, THEREBY CAUSING SEWER BACK-UP. THERE ARE POTENTIALLY ONE-HALF MILLION STRUCTURES SUBJECT TO FLOODING OF THIS NATURE, WITH AVERAGE ANNUAL ESTIMATED FLOOD DAMAGES IN EXCESS OF $140 MILLION.

THE PLAN SPECIFIED IN THE CHIEF'S REPORT CONSISTS OF TWO RESERVOIRS TO BE CONSTRUCTED IN QUARRIES AT MCCOOK AND THORNTON, ILLINOIS. THE PLAN WOULD ALSO REQUIRE EXTENSIVE HYDRAULIC WORKS, ACQUIFER PROTECTION SYSTEMS (SINCE COMBINED STORM WATER AND SEWAGE WOULD REQUIRE STORAGE), AND AERATION SYSTEMS.

THE TOTAL PROJECT FIRST COST IS ESTIMATED TO BE $419,000,000, AT OCTOBER 1987 PRICE LEVELS. THE FEDERAL AND NON-FEDERAL SHARES WOULD BE $314,250,000 AND $104,750,000.

AVERAGE ANNUAL BENEFITS ARE ESTIMATED AT $97,312,000 AND AVERAGE ANNUAL COSTS AT $46,564,000. THE COMPOSITE BENEFIT-COST RATIO FOR THE TOTAL PROJECT IS 2.1 FOR A PERIOD OF ANALYSIS OF 100 YEARS AND AN INTEREST RATE OF 8-5/8 PERCENT.

LOCAL INTERESTS INCLUDING THE LOCAL SPONSOR, THE METROPOLITAN SANITARY DISTRICT OF GREATER CHICAGO, SUPPORT THE PROJECT.

THIS REPORT CONCERNS COMMERCIAL NAVIGATION IMPROVEMENTS FOR WOLF AND JORDAN RIVERS AND BAYOU PORTAGE, MISSISSIPPI.

THE REPORT WAS PREPARED IN RESPONSE TO A HOUSE RESOLUTION DATED MAY 10, 1977. THE REPORT HAS BEEN REVIEWED AND IS OPPOSED BY THE ADMINISTRATION.

THE AREA OF CONCERN IS AT PASS CHRISTIAN, ABOUT 62 MILES EAST OF NEW ORLEANS, LOUISIANA, AND 84 MILES WEST OF MOBILE, ALABAMA. THE EXISTING FEDERAL NAVIGATION PROJECT, AUTHORIZED IN 1907, CONSISTS OF A 7-FOOT-DEEP AND 100-FOOT-WIDE CHANNEL FOR EACH STREAM. THE EXISTING BAYOU PORTAGE CHANNEL IS A NON-FEDERAL PROJECT. THE PRINCIPAL DIFFICULTY IS DUE TO LACK OF MAINTENANCE IN THAT CHANNEL.

LOCAL INTERESTS DESIRE MODIFICATION AND MAINTENANCE OF THE EXISTING NAVIGATION CHANNEL FROM ST. LOUIS BAY TO PASS CHRISTIAN INDUSTRIAL PARK. THE PROPOSED PLAN IS A CHANNEL 4-1/2 MILES LONG, 100 FEET WIDE, AND 8 FEET DEEP IN THE ST. LOUIS BAY TO THE END OF A TURNING BASIN IN PASS CHRISTIAN INDUSTRIAL PARK.

BASED ON OCTOBER 1987 PRICE LEVELS, THE ESTIMATED TOTAL FIRST COST OF THE PROJECT IS $2,324,000. ANNUAL O&M IS ESTIMATED AT $289,000.

USING THE CURRENT RATE OF 8-5/8 PERCENT PER YEAR, AVERAGE ANNUAL COSTS ARE $496,000 AND BENEFITS $1,088,000. THE RESULTANT BENEFIT-COST RATIO IS 2.2

THIS REPORT IS ON THE LOWER MISSION CREEK, SANTA BARBARA, CALIFORNIA

THE REPORT IS A PARTIAL RESPONSE TO SECTION 209 OF THE FLOOD CONTROL ACT OF 1962. THE FINAL REPORT OF THE CHIEF OF ENGINEERS WAS FORWARDED TO THE SECRETARY OF THE ARMY ON 25 MARCH 1988.

THIS REPORT CONCERNS IMPROVEMENTS FOR FLOOD CONTROL IN THE LOWER HIGHLY DEVELOPED REACHES OF MISSION CREEK IN SANTA BARBARA COUNTY, CALIFORNIA.

THERE HAS BEEN REPEATED FLOODING IN THIS AREA SINCE THE MID-1800'S. MORE RECENTLY, FLOODING HAS OCCURRED IN 1941, 1952, 1969, 1978, AND 1983. A 100-YEAR FLOOD WOULD CAUSE FLOOD DAMAGES OF $22.8 MILLION UNDER TODAY'S CONDITIONS.

THE RECOMMENDED PLAN PROVIDES AT LEAST 100-YEAR FLOOD PROTECTION FOR LOWER MISSION CREEK FROM CARRILLO STREET TO THE PACIFIC OCEAN USING A CONCRETE CHANNEL APPROXIMIMATELY ONE MILE IN LENGTH THAT JOINS WITH THE DOWNSTREAM END OF AN EXISTING CONCRETE CHANNEL WHICH WAS CONSTRUCTED BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION. A 175 FOOT-LONG BOX CULVERT WOULD EXTEND BETWEEN MONTECITO STREET AND THE RAILROAD TRACKS.

THE TOTAL FIRST COST OF THE PROJECT, BASED ON OCTOBER 1987 PRICES, IS $10,240,000. O&M COSTS ARE ESTIMATED AT $21,000 ANNUALLY.

USING A 50-YEAR PERIOD FOR ECONOMIC ANALYSIS AND A DISCOUNT RATE OF 8-5/8 PERCENT, AVERAGE ANNUAL COSTS ARE $937,000 AND AVERAGE ANNUAL BENEFITS ARE $1,025,000. THE RESULTANT BENEFIT-TO-COST RATIO IS 1.1. THE CITY AND COUNTY OF SANTA BARBARA SUPPORT THE PROJECT.

THIS REPORT CONCERNS BEACH EROSION CONTROL FOR AMELIA ISLAND, NASSAU COUNTY FLORIDA.

IT WAS PREPARED IN RESPONSE TO A HOUSE RESOLUTION ADOPTED ON JUNE 14, 1972. THE FINAL REPORT OF THE CHIEF OF ENGINEERS IS UNDER REVIEW BY THE ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS.

AMELIA ISLAND IS AT THE NORTHERN END OF FLORIDA'S ATLANTIC COAST. A PERTINENT EXISTING PROJECT IS THE FEDERAL NAVIGATION PROJECT FOR FERNANDINA HARBOR, CONSISTING OF JETTIES AND CHANNELS. THIS PROJECT IS THE MOST SIGNIFICANT CAUSATIVE FACTOR FOR THE UNUSUALLY SEVERE EROSION OF AMELIA ISLAND.

LOCAL INTERESTS DESIRE EROSION CONTROL MEASURES AND MITIGATION OF THE EFFECTS OF THE FERNANDINA HARBOR FEDERAL NAVIGATION PROJECT.

THE CHIEF OF ENGINEERS RECOMMENDS A PROJECT CONSISTING OF PLACING BEACH FILL ON APPROXIMATELY 3.6 MILES OF BEACH; SAND TIGHTENING 1,500 FEET OF JETTY TO BE ACCOMPLISHED BY THE U.S. NAVY; AND PERIODIC NOURISHMENT OF 4.3 MILES OF OCEAN SHORE.

BASED ON OCTOBER 1987 PRICES, THE ESTIMATED TOTAL FIRST COST OF THE PLAN IS $5,753,000. O&M IS ESTIMATED AT $384,900 ANNUALLY.

USING THE CURRENT INTEREST RATE OF 8-5/8 PERCENT PER YEAR, AVERAGE ANNUAL COSTS ARE $889,100 AND BENEFITS ARE $2,293,000. THE RESULTANT BENEFIT-COST RATIO IS 1.5.

THIS REPORT CONCERNS COMMERCIAL NAVIGATION IMPROVEMENTS FOR PORT SUTTON CHANNEL.

THE REPORT WAS PREPARED IN RESPONSE TO HOUSE AND SENATE RESOLUTIONS, ADOPTED SEPTEMBER 22, 1982 AND NOVEMBER 2, 1981, RESPECTIVELY. THE FINAL REPORT OF THE CHIEF OF ENGINEERS IS BEING REVIEWED BY THE ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS.

THE PORT SUTTON CHANNEL IS IN TAMPA HARBOR, ON FLORIDA'S GULF COAST. EXISTING PROJECTS IN TAMPA HARBOR CONSIST OF ABOUT 68 MILES OF CHANNEL IMPROVEMENTS. THE CURRENT NAVIGATION PROBLEM AT PORT SUTTON IS LIGHT-LOADING OF DEEP-DRAFT BULK VESSELS DUE TO INADEQUATE CHANNEL DEPTHS. A CHANNEL DEEPER THAN THE PRESENT 34-FOOT CHANNEL IS, THEREFORE, DESIRABLE.

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THE PROPOSED PLAN CALLS FOR DEEPENING PORT SUTTON CHANNEL TO 43 FEET FOR A DISTANCE OF 3,700 FEET FROM THE EXISTING 43-FOOT-DEEP PORT SUTTON TURNING BASIN TO PORT SUTTON TERMINAL.

BASED ON OCTOBER 1987 PRICES, THE ESTIMATED TOTAL FIRST COST OF THE RECOMMENDED PLAN IS $2,670,000 ANNUAL O&M IS ESTIMATED AT $41,000.

USING THE CURRENT INTEREST RATE OF 8-5/8 PERCENT PER YEAR, AVERAGE ANNUAL COSTS ARE $278,000 AND BENEFITS ARE 1,035,000. THE RESULTANT BENEFIT-COST RATIO IS 3.7.

THIS REPORT COVERS THE INSTALLATION OF HYDROELECTRIC POWER FACILITIES AT THE EXISTING FEDERAL PROJECT AT WILLIAM H. HARSHA LAKE, OHIO.

IT IS IN RESPONSE TO A SENATE COMMITTEE ON PUBLIC WORKS RESOLUTION OF MAY 31, 1967, AND A HOUSE COMMITTEE ON PUBLIC WORKS RESOLUTION OF OCTOBER 19, 1967. THE REPORT IS UNDER REVIEW BY THE ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS.

THE LAKE IS LOCATED ON THE EAST FORK OF THE LITTLE MIAMI RIVER, APPROXIMATELY 25 MILES SOUTHEAST OF CINCINNATI, OHIO.

THE PROJECT IS OPERATED FOR AUTHORIZED PURPOSES OF FLOOD CONTROL, WATER QUALITY, WATER SUPPLY, AND GENERAL RECREATION. THE REPORT RECOMMENDS CONSTRUCTION OF A HYDROPOWER INSTALLATION WHICH FULLY UTILIZES THE POTENTIAL OF THE EXISTING RESOURCE AS WELL AS MAINTAINING ITS CAPABILITY FOR THE PREVIOUSLY AUTHORIZED PURPOSES.

THE RECOMMENDED INSTALLATION WOULD HAVE AN INSTALLED PLANT CAPACITY OF 10 MW WITH A POTENTIAL ANNUAL ENERGY OUTPUT OF 16,390 MWH. THE PROJECT WOULD OPERATE AS A RUN-OF-RIVER PLANT WITH PEAKING OPERATION WHEN THE RESERVOIR LEVELS PERMITTED IT TO DO SO.

TOTAL FIRST COST OF THE NEW WORK IS ESTIMATED AT $21.1 MILLION BASED ON OCTOBER 1987 PRICE LEVELS. ANNUAL O&M IS ESTIMATED AT $309,000.

THE BENEFIT-COST RATIO, USING AN INTEREST RATE OF 8-5/8 PERCENT AND AN ECONOMIC ANALYSIS PERIOD OF 100 YEARS, IS 1.3.

THE REPORT CONCERNS THE FLOOD PROTECTION WORKS, IN THE MILL CREEK BASIN, METRO REGION OF NASHVILLE, TENNESSEE.

IT IS IN REPONSE TO RESOLUTIONS ADOPTED IN 1965 BY THE HOUSE PUBLIC WORKS COMMITTEE AND IN 1973 BY THE SENATE COMMITTEE ON PUBLIC WORKS. THE REPORT IS UNDER REVIEW BY THE ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS.

THE MILL CREEK BASIN LIES PRIMARILY WITHIN DAVIDSON AND WILLIAMSON COUNTIES IN MIDDLE TENNESSEE. THE BASIN IS ABOUT 20 MILES LONG AND AVERAGES 6 MILES IN WIDTH. TOPOGRAPHY RANGES FROM FLAT TO MODERATELY SLOPING ALONG THE MAIN STEM TO THE ROLLING AND HILLY UPLANDS THAT FORM THE WATERSHED DIVIDE.

THE AREA IS SUBJECT TO SEVERE FLOODING.

THE REPORT RECOMMENDS CONSTRUCTION OF TWO UNREGULATED DRY-BED RESERVOIRS, ONE ON MILL CREEK AND ONE ON SEVENMILE CREEK; A 0.8-MILE SECTION OF CHANNEL WIDENING ON SEVENMILE CREEK; EXPANSION OF AN EXISTING FLOOD WARNING SYSTEM; AND ENVIRONMENTAL DESIGN FEATURES, INCLUDING CREATION OF DEEP POOLS AND SELECTED LANDSCAPING ON SEVENMILE CREEK. THE DAMS WOULD POND WATER ONLY DURING PERIODS OF FLOODING.

TOTAL FIRST COST OF THE PROJECT IS ESTIMATED AT $12,572,000 BASED ON OCTOBER 1987 PRICE LEVELS, OF WHICH $6,286,000 WOULD BE NON-FEDERAL. O&M COSTS ARE ESTIMATED AT $46,000 ANNUALLY.

AVERAGE ANNUAL COSTS ARE $1,243,000 AND AVERAGE ANNUAL BENEFITS ARE $1,930,000. THE BENEFIT-TO-COST RATIO, USING AN INTEREST RATE OF 8-5/8 PERCENT AND AN ECONOMIC ANALYSIS PERIOD OF 50 YEARS IS 1.6.

THIS REPORT COVERS THE MISSISSIPPI AND LOUISIANA ESTUARINE AREAS.

THE REPORT IS IN FINAL RESPONSE TO A RESOLUTION ADOPTED BY THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION ON 23 SEPTEMBER 1976. THE MISSISSIPPI RIVER COMMISSION REVIEWED THE REPORT AND THE FINAL REPORT OF THE CHIEF OF ENGINEERS HAS BEEN SENT TO THE ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS.

THE STUDY CONCERNED MODIFICATION OF THE MISSISSIPPI RIVER AND TRIBUTARIES PROJECT TO INCLUDE PROVISIONS FOR DIVERSION OF FRESHWATER FROM THE MISSISSIPPI RIVER TO LAKE PONTCHARTRAIN AT THE BONNET CARRE' SPILLWAY.

THE MISSISSIPPI RIVER IS CONFINED WITHIN LEVEES THROUGHOUT THE STUDY AREA. THIS IS A TYPICAL VIEW OF THE AREA BEING LOST. THESE LEVEES PREVENT THE RIVER FROM MEANDERING AS IT HAS DONE HISTORICALLY AND THEREFORE PREVENTS THE DISTRIBUTION OF SEDIMENT AND FRESHWATER INTO MARSH AREAS. DEPRIVED OF THE ANNUAL FRESHWATER AND SEDIMENT FROM THE RIVER, THE NATURAL PROCESSES OF SUBSIDENCE, COMPACTION, EROSION AND SALTWATER INTRUSION ALONG WITH MAN'S CHANNEL CUTTING AND DREDGING AND LEVEE BUILDING ACTIVITIES HAVE RESULTED IN THE LOSS OF 2.5 TO 4.1 SQUARE MILES OF STUDY AREA COASTAL MARSHES PER YEAR. ALSO, SALTWATER INTRUSION HAS ADVERSELY IMPACTED HISTORICALLY HIGHLY PRODUCTIVE OYSTER BEDS IN THE STUDY AREA.

THE RECOMMENDED PLAN OF IMPROVEMENT CONSISTS OF FACILITIES TO DIVERT FRESHWATER INTO THE LAKE PONTCHARTRAIN BASIN AND MISSISSIPPI SOUND. THE DIVERSION STRUCTURE AND RELATED FACILITIES WOULD BE ADJACENT TO THE BONNET CARRÉ SPILLWAY. THE DIVERSION STRUCTURE WOULD DIVERT FRESH WATER FROM THE MISSISSIPPI RIVER TO CONTROL SALINITY IN LAKE PONTCHARTRAIN, LAKE BORGNE AND TO A LESSER DEGREE IN THE MISSISSIPPI AND CHANDELIER SOUND AREAS. A COMPREHENSIVE MONITORING SYSTEM WOULD ALSO BE ESTABLISHED TO GUIDE STRUCTURE OPERATION AND ASSESS THE EFFECTS OF THE DIVERTED FRESHWATER ON FISH AND WILDLIFE POPULATIONS.

BASED ON OCTOBER 1987 PRICES, THE TOTAL FIRST COST OF THE RECOMMENDED PLAN IS $59,300,000. ANNUAL O & M IS ESTIMATED AT $855,000.

USING A 50-YEAR PERIOD OF ECONOMIC ANALYSIS AND AN INTEREST RATE OF 8-5/8 PERCENT, THE AVERAGE ANNUAL BENEFITS ARE $7,493,000 AND THE AVERAGE ANNUAL COSTS ARE $6,258,000. THE RESULTANT BENEFIT-COST RATIO IS 1.2. THE STATES OF LOUISIANA AND MISSISSIPPI SUPPORT THE PROJECT AND WILL SERVE AS LOCAL SPONSORS FOR THE PROJECT

THIS REPORT IS ON CYPRESS CREEK, TEXAS

THE REPORT IS IN PARTIAL RESPONSE TO SECTION 5 OF THE FLOOD CONTROL ACT APPROVED AUGUST 28, 1937, AND SECTION 11 OF THE FLOOD CONTROL ACT APPROVED JULY 24, 1946. THE REPORT OF THE CHIEF OF ENGINEERS AND IS CURRENTLY WITH THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS).

THIS REPORT CONCERNS FLOOD DAMAGE REDUCTION MEASURES FOR THE CYPRESS CREEK AREA LOCATED NORTH AND NORTHWEST OF THE CITY OF HOUSTON IN NORTHERN HARRIS AND EASTERN WALLER COUNTIES, TEXAS.

THE 319-SQUARE MILE CYPRESS CREEK WATERSHED IS SUBJECT TO FLOODING FROM RAINSTORMS OF VARYING INTENSITIES AND DURATIONS. A 100-YEAR FLOOD WOULD INUNDATE ABOUT 2,400 STRUCTURES AND CAUSE FLOOD DAMAGES OF ABOUT $98 MILLION. AVERAGE ANNUAL FLOOD DAMAGES UNDER EXISTING CONDITIONS ARE $9.3 MILLION. THE LAST SEVERE FLOOD ON CYPRESS CREEK OCCURRED IN 1960. THEREFORE, EXPERIENCED (ACTUAL) FLOOD DAMAGES ARE DECEPTIVELY LOW, BECAUSE MOST OF THE DEVELOPMENT IN THE FLOODPLAIN HAS OCCURRED SINCE 1960.

THE RECOMMENDED PLAN CONSISTS OF A 29.4-MILE ENLARGED AND RECTIFIED, GRASS-LINED CHANNEL IN CYPRESS CREEK WITH RIPRAP BANK PROTECTION IN HIGH-VELOCITY REACHES, DESIGNED TO CARRY A FUTURE 10-YEAR FREQUENCY FLOOD FLOW.

THE ESIMATED COST OF THE PROJECT, BASED ON OCTOBER 1987 PRICE LEVELS, IS $114,200,00. ANNUAL O & M IS ESTIMATED AT $848,900.

USING A 100-YEAR PERIOD FOR ECONOMIC ANALYSIS AND AN INTEREST RATE OF 8-5/8%, AVERAGE ANNUAL COSTS ARE $13,796,600 AND AVERAGE ANNUAL BENEFITS ARE $15,960,300. THE RESULTANT BENEFITS-TO-COST RATIO IS 1.2. THE GOVERNOR OF TEXAS SUPPORTS THE PROJECT AND HARRIS COUNTY WILL PROVIDE THE REQUIREMENTS OF LOCAL COOPERATION.

THIS REPORT CONCERNS FLOOD DAMAGE REDUCTION MEASURES FOR AREAS IN AND THE VICINITY OF FALFURRIAS, TEXAS, SUBJECT TO FLOODING FROM PALO BLANCO AND CIBOLO CREEKS.

THIS REPORT IS IN RESPONSE TO SECTION 11 (A) OF THE WATER RESOURCES DEVELOPMENT ACT OF 1974 (P.L. 93-251). THE REPORT OF THE CHIEF OF ENGINEERS IS CURRENTLY WITH THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS).

FALFURRIAS IS LOCATED IN SOUTHERN TEXAS. THE CITY HAS BEEN FLOODED SEVERELY 12 TIMES SINCE 1912, THE MOST RECENT IN MAY 1982. THE FLOOD OF RECORD OCCURRED IN SEPTEMBER 1967 AND CAUSED $3.3 MILLION IN PROPERTY DAMAGES. AVERAGE ANNUAL FLOOD DAMAGES UNDER EXISTING CONDITIONS ARE $8.9 MILLION.

MAJOR FEATURES OF THE RECOMMENDED PLAN ARE: A 5.6 MILE LONG DIVERSION LEVEE WEST OF FALFURRIAS, DESIGNED TO PROTECT THE CITY AGAINST STANDARD PROJECT FLOOD FLOWS IN PALO BLANCO AND CIBOLO CREEKS; A 1.8 MILE LONG PILOT CHANNEL WEST OF FALFURRIAS TO DIRECT FLOOD FLOWS FROM PALO BLANCO AND CIBOLO CREEKS SOUTHWARD TO BALUARTE CREEK; A FLOWAGE EASEMENT ON ABOUT 11,000 ACRES OF LAND SUBJECT TO FLOODING BY OVERFLOWS FROM THE PILOT CHANNEL; A 0.8 MILE LONG RING LEVEE AROUND THE SEWAGE TREATMENT PLANT WEST OF FALFURRIAS; AND, DEVELOPMENT OF WETLANDS HABITAT IN BORROW AREAS.

THE ESTIMATED COST OF THE PROJECT BASED ON OCTOBER 1987 PRICE LEVELS IS $31,800,000. O & M IS ESTIMATED AT $193,000 ANNUALLY.

USING A 100 YEAR PERIOD FOR ECONOMIC ANALYSIS AND AN INTEREST RATE OF 8-5/8 PERCENT, AVERAGE ANNUAL COSTS ARE $3,306,000 AND AVERAGE ANNUAL BENEFITS ARE $10,038,000. THE RESULTANT BENEFIT-TO-COST RATIO IS 3.0. BROOKS COUNTY SUPPORTS THE PROJECT AND HAS EXPRESSED INTENT TO PROVIDE THE NECESSARY REQUIREMENTS OF LOCAL COOPERATION.

THIS REPORT CONCERNS NAVIGATION IMPROVEMENTS FOR THE GUADALUPE RIVER IN TEXAS, SPECIFICALLY, THE CHANNEL TO VICTORIA.

THE REPORT IS IN PARTIAL RESPONSE TO A RESOLUTION BY THE COMMITTEE ON PUBLIC WORKS, HOUSE OF REPRESENTATIVES, DATED 23 SEPTEMBER 1976. THE REPORT OF THE CHIEF OF ENGINEERS IS CURRENTLY WITH THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS).

THE CHANNEL TO VICTORIA EXTENDS ABOUT 35 MILES FROM THE GULF INTRACOASTAL WATERWAY IN SAN ANTONIO BAY TO A TURNING BASIN LOCATED ABOUT 7 MILES SOUTH OF THE CITY OF VICTORIA. THE CHANNEL TO SEADRIFT CONNECTS WITH THE CHANNEL TO VICTORIA AT MILE 6.5 AND EXTENDS NORTHEAST APPROXIMATELY 2 MILES TO THE TOWN OF SEADRIFT.

WATERWAY USERS MUST LIGHTLY LOAD BARGES BECAUSE OF INSUFFICIENT CHANNEL DEPTHS ON THE CHANNEL TO VICTORIA. THE EXISTING PROJECT DIMENSIONS ARE 9 FEET DEEP BY 100 FEET WIDE.

THE RECOMMENDED PROJECT PROVIDES FOR DEEPENING AND ENLARGING THE EXISTING CHANNEL TO 12 FEET DEEP BY 125 FEET WIDE, COMMENSURATE WITH THE GIWW; WITH DISPOSAL OF THE DREDGE MATERIAL IN UPLAND AREAS. THE RECOMMENDED PLAN ALSO INCLUDES A 60-ACRE CONFINED DISPOSAL AREA IN SAN ANTONIO BAY, WHICH WOULD BE DEVELOPED AS A BIRD ROOKERY, AND THE CREATION OF ADDITIONAL MARSH ALONG THE LANDLOCKED REACH OF THE CHANNEL.

THE ESTIMATED COST OF THE RECOMMENDED PROJECT, BASED ON OCTOBER 1987 PRICE LEVELS, IS $23,914,000. THE FEDERAL SHARE OF THIS IS $15,084,000 AND THE NON-FEDERAL SHARE IS $883,000.

USING A 50-YEAR PERIOD OF ANALYSIS AND AN INTEREST RATE OF 8-[illegible]/8%, AVERAGE ANNUAL COSTS ARE $2,403,000 AND AVERAGE ANNUAL BENEFITS ARE $2,989,000. THE RESULTANT BENEFIT-TO-COST RATIO IS 1.2.

THE GOVERNOR OF TEXAS, THE VICTORIA COUNTY NAVIGATION DISTRICT, AND THE WEST SIDE CALHOUN COUNTY NAVIGATION DISTRICT ALL SUPPORT THE PROJECT. THE 2 NAVIGATION DISTRICTS HAVE ALSO STATED THEIR INTENT TO PROVIDE THE REQUIRED LOCAL COOPERATION.

THIS REPORT CONCERNS FLOOD DAMAGE REDUCTION MEASURES FOR AREAS IN THE CITY OF WICHITA FALLS, TEXAS, SUBJECT TO FLOODING FROM MCGRATH CREEK.

THIS REPORT IS IN RESPONSE TO A RESOLUTION BY THE COMMITTEE ON PUBLIC WORKS, HOUSE OF REPRESENTATIVES, DATED 25 FEBRUARY 1938. THE REPORT OF THE CHIEF OF ENGINEERS, IS CURRENTLY WITH THE ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS).

WICHITA FALLS IN TEXAS, IS SUBJECT TO FLOODING FROM MCGRATH CREEK. MCGRATH CREEK DRAINS A HIGHLY URBANIZED AREA OF ABOUT 6 SQUARE MILES. SIKES LAKE, A SHALLOW 20-ACRE IMPOUNDMENT, IS LOCATED ON MCGRATH CREEK ABOUT ONE MILE UPSTREAM OF ITS CONFLUENCE WITH HOLLIDAY CREEK.

DURING THE FLOOD OF 12 AND 13 MAY 1982, THE MCGRATH CREEK WATERSHED EXPERIENCED AN ESTIMATED $21.5 MILLION IN FLOOD DAMAGES. EXISTING AVERAGE ANNUAL FLOOD DAMAGES TOTAL ABOUT $1.8 MILLION.

THE RECOMMENDED PLAN, CONSISTS OF A CONCRETE RECTANGULAR CHANNEL, SEVEN TENTHS OF A MILE IN LENGTH, AND CONSTRUCTION OF A NEW SPILLWAY AT SIKES LAKE. THE CHANNEL WOULD BE 35 FEET WIDE AND WOULD RUN FROM THE LAKE TO A DROP STRUCTURE AT THE MOUTH OF MCGRATH CREEK, A DISTANCE OF ABOUT 3600 FEET. THE DROP STRUCTURE IS PART OF THE AUTHORIZED HOLLIDAY CREEK CHANNEL MODIFICATION PLAN.

THE ESTIMATED COST OF THE PROJECT, BASED ON OCTOBER 1987 PRICE LEVELS, IS $9.1 MILLION. O & M IS ESTIMATED AT $63,000 ANNUALLY.

USING A 100 YEAR PERIOD OF ANALYSIS AND AN INTEREST RATE OF 8-5/8%, THE AVERAGE ANNUAL COSTS OF THE PROJECT ARE $926,000 AND THE AVERAGE ANNUAL BENEFITS ARE $1,511,000. THE RESULTANT BENEFIT-TO-COST RATIO IS 1.6. THE TEXAS WATER DEVELOPMENT BOARD, THE CITY OF WICHITA FALLS, AND MIDWESTERN STATE UNIVERSITY, THE OWNER OF SIKES LAKE, HAVE ALL EXPRESSED FULL SUPPORT FOR THE PROJECT. THE CITY OF WICHITA FALLS HAS AGREED TO PROVIDE THE THE COST-SHARING REQUIREMENTS.

THAT CONCLUDES MY PRESENTATION. I WILL BE HAPPY TO ANSWER QUESTIONS.

STATEMENT OF

ROBERT W. PAGE
ASSISTANT SECRETARY OF THE ARMY
FOR
CIVIL WORKS
BEFORE THE
SUBCOMMITTEE ON WATER RESOURCES
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION
UNITED STATES HOUSE OF REPRESENTATIVES
JUNE 16, 1988

NOT TO BE RELEASED UNTIL APPROVED BY THE
SUBCOMMITTEE ON WATER RESOURCES
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

STATEMENT BY ROBERT W. PAGE, ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS

BEFORE THE

SUBCOMMITTEE ON WATER RESOURCES

UNITED STATES HOUSE OF REPRESENTATIVE

(Slide 1)

Mr. Chairman, members of the Subcommittee, I am Robert Page, Assistant Secretary of the Army for Civil Works. Accompanying me today are John Doyle, Principal Deputy Assistant Secretary for Civil Works, Major General Thomas A. Sands, Acting Director of Civil Works of the Army Corps of Engineers, and Dr. Bory Steinberg, Chief of Policy, Review and Initiatives Division of the Civil Works Directorate in the Office of the Chief of Engineers. It is a pleasure to have the opportunity to testify on potential water resources development legislation in the 100th Congress. As I and other officials of this Administration have stated on previous occasions, Mr.Chairman, we support getting the authorization of justified, supportable Army Corps of Engineers projects back on a regular basis. I commend the Committee's initiative in conducting this hearing. It is important to the citizens of this country to have a strong ongoing Federal water resources development program. The key to such a program must be the overriding need to limit Federal spending for water resources development to only those for which there is a clear Federal responsibility and to retain the program reforms provided in P.L. 99-662.

(Slide 2)

Your letter requesting my testimony asked for an update on implementation of the Water Resources Development Act of 1986, P.L. 99-662, and invited comments on legislation proposed by the Administration. We also would like to provide comments on S. 2100, the "Water Resources Development Act of 1988", a bill passed by the Senate in April. I will be pleased to address these matters. At the conclusion of my statement General Sands will respond to your request for information on projects that have been favorably reported by the Chief of Engineers.

I would first like to provide background that I hope puts the balance of my testimony in perspective. I also should note the we have slides to assist in the presentation of this testimony. Prints of the slides have been submitted for the record, and the testimony is annotated to indicate to which sections the slides apply.

(Slide 3)

Mr. Chairman, we would like to describe the untenable state of the water resources program prior to enactment of WRDA 86; how with the leadership of this Committee, the Congress and the Administration the system was repaired with the enactment of P.L. 99-662; how that Act is working; the importance of returning to a two-year water project authorization cycle while retaining the beneficiary pays and cost sharing reforms of the WRDA 86; and the need to clearly recognize that only economically efficient, environmentally sound projects be undertaken. In addition, we are taking initiatives internally which we believe will enhance the implementation of the P.L. 99-662 and substantially increase the economy and efficiency of water projects. It is against this backdrop that I will address the Administration's proposal and the Senate Bill.

BACKGROUND (Slides 4-6)

From 1970 through 1986, the water resources development program of this country was locked in a situation of stalemate and political gridlock. Authorization of many necessary water resource investments was brought to a standstill, caught up in a complicated web of competing factors such as project formulation policy debate, demands on a limited Federal budget capability, and a growing concern and awareness of environmental consequences of these projects. For that period, the budget of the Army Corps of Engineers remained relatively constant while inflation rose dramatically. The net result was a substantial decline in real dollars in Corps investment in the nation's water infrastructure.

By 1985 (and even earlier), it was evident that we were experiencing a rapid deterioration of the viability of the Civil Works program. There were virtually no major construction authorizations since 1970, there had been no new construction starts for several years, and during the 1970's the "new start" budget had already been declining. The study budget, the heart and soul of future projects and programs, was being cut back. Studies that made it through the system were being bogged down in the Washington maze. Congress prohibited us from seeking cost sharing of studies and failed to appropriate funds for new construction starts on which sponsors had agreed to cost share on a voluntary basis and for which funds had been requested in a FY 83 supplemental appropriation and in FY 84 and 85. At the heart of the problem was a lack of agreement on the issue of cost sharing and user fees.

(Slides 7-8)

During the 1970's, annual new construction starts ranged generally between 20 and 30 per year. During the first four years of the 80's decade, there were only three new starts. Based on voluntary cost sharing and the prospects of successfully completing negotiations on H.R. 6, the 1985 Supplemental Appropriation Act approved funding for 40 new starts. Fiscal 86, 87 and 88 include a total of 84 new starts and separable elements of other projects, and six additional are recommended for initiation in 1989. This surge in the program is the direct result of reforms in P.L. 99-662.

Similarly, new study starts dropped from a rate of 30 to 45 per year in the mid 70's to an average of less than 10 per year in FY 81, 82, and 83. The program has recovered to the 20 to 30 per year range.

(Slide 9)

With the program shrinking, personnel ceilings also shrunk. There were over 32,000 Army Civil Works employees in 1970. By 1985, the number had decreased to just over 28,000.

(Slides 10-11)

During those difficult years, the construction program had fallen below $1 billion annually and the operation and maintenance costs in 1984 for the first time in Corps history exceeded construction expenditures. That trend stopped in 1986 with passage of P.L.99-662, and I am pleased to report the President's FY 1989 budget request for construction funds is 40% greater than the FY 1986 appropriation amounts. Moreover, because of non-Federal cost sharing, each dollar of the FY 1988 requested amount will support about 1.16 dollars of new water project development.

(Slide 12)

The system was broken, and a fix was urgently needed. The old way of doing business was clearly obsolete. The entire project development and implementation process needed to be revised to respond to today's realities of budgetary constraint and at the same time to make individual projects more cost effective and responsive to beneficiaries and sponsors through adoption of new financing and cost sharing rules and new user fees. The system had to be modified to achieve a sound National infrastructure investment.

After years of discussion and negotiation and with the outstanding leadership and cooperation of this Committee, the many perspectives of this program were blended into a comprehensive piece of legislation supported by the Congress and this Administration. In November 1986, the President signed Public Law 99-662, the Water Resources Development Act of 1986. This provided the much needed framework for rebuilding the nation's water programs to respond to continuing and growing water resource development and management problems.
(Slide 13)

This framework includes a number of important reforms, such as:

o Increased Cost Sharing Criteria - Non-Federal sponsors are required to pay a significant share of study and project costs, thereby assuring that such activities do not proceed unless there is a local financial and political commitment.

o User Fees - The existing inland waterways fuel tax is gradually doubled and the harbor maintenance user fee is established to help defray the cost of improvements on the Nation's inland waterways and operation and maintenance of the Nation's commercial harbors. Revenues are deposited in Trust Funds. The U.S. Treasury estimates that for the Harbor Maintenance Trust Fund, $156 million will be collected in FY 1989. This amounts to 40% of the anticipated Corps operation and maintenance expenditures for commercial navigation harbors.

o Cost Controls - Ceilings are established on the total cost of individual projects and on the total amount spent annually for construction, thus limiting Federal expenditures and providing discipline for the program.

- Sunset Authorizations - Projects and studies which are not of high priority or are not supported by local sponsors are automatically deauthorized if not funded within prescribed time limits.

- Increased Non-Federal Participation In Decisionmaking - Local sponsors are given a greater voice in the formulation of projects and in determining which projects are recommended.

- Facilitating Non-Federal Development - Under certain conditions, sponsors of harbor development projects can proceed with planning and construction and still qualify for Federal participation. Also, local sponsors of flood control projects may proceed with certain works and get credit toward their share of cost. This allows expedited project development.

- Inland Waterways Users Board - This organization is established from the users of the waterways to make recommendations regarding project development and funding priorities.

We have been operating under the provisions of P.L. 99-662 for a year and a half and are pleased to report the story so far is one of success. The basic principles of the Act are firmly in place. Cost sharing is working, local cooperation agreements are being executed, and projects are going forward. At the same time, the scope of many individual projects has been reduced substantially. We believe that WRDA 86 is working in the way it was designed to work.

(Slide 14)

For example, we expected new cost sharing provisions would result in significant downsizing and phasing of projects. The downsizing and phasing has significant economic benefits. As a result of scaling back and phasing of projects, Federal Government expenditures were reduced $111 million at Norfolk, $125 million at New Orleans, $166 million at Mobile, $56 million at Baltimore, $17 million at Little Dell, Utah, and $78 million at Merced County, California. That is nearly $800 million that can now be put toward other worthy projects in a more timely manner.

(Slide 15)

We are pleased to participate with non-Federal sponsors and other interested parties in celebrating these accomplishments. For example, we have celebrated the success of P.L. 99-662 with ceremonies all over the country highlighting specific projects. With your help, we initiated construction or signed local cooperation agreements with ceremonies at navigation projects involving $212 million of construction costs at New York, $252 million at Baltimore, $336 million at Gallipolis Locks and Dam, and $167 million at Grays Landing Lock and Dam. We have celebrated signed agreements to provide flood control involving $82 million of construction costs at Rochester, Minnesota; $44 million at San Luis Rey, California, $23 million at Fourche Bayou, Arkansas, $25 million at North Branch, Chicago River, Illinois, and $96 million in the Atchafalaya Basin. We also initiated a shore protection project at Palm Beach-Boca Raton involving $6 million of construction costs. The evidence is overwhelming that the public accepts this new approach to water projects.

(Slide 16)

These and other similar projects represent billions of dollars of construction in which Committee Members and the Congress have had a continuing interest, projects which are needed and wanted, but had been caught up in the long wait for the 1986 Authorization Act. These are all tangible evidence of the good things which have happened as a result of the P.L. 99-662. Without that Act and this Committee's principal role in it, we would not be here with these success stories.

(Slide 17)

The program has gained new credibility by focusing limited resources on the most worthy projects, ensuring that local support is truly there, and ensuring optimum economic feasibility.

(Slide 18)

We have executed local cooperation agreements on 63 specifically authorized new projects and separable elements of other projects, initially funded for construction in the FY 1985 Supplemental Appropriations Act or in subsequent appropriations acts in accord with new cost sharing policies. Guidance has been issued to our field offices on the financing, cost sharing, and user charge provisions and other required guidance is going out based on budget and appropriations priorities.

PUBLIC LAW 99-662 PROJECT IMPLEMENTATION STATUS

(Slide 19)

Guidance has been issued on most of the non-project provisions which require some form of implementing instructions. This includes cost sharing for project planning and construction, and guidance on fish and wildlife mitigation and enhancement.

Implementation is underway of the credit provisions for past work done by project sponsors. The final regulation was published in the Federal Register on November 18th of last year. To date, we have received 130 applications for credit, favorably reviewed 27, and denied 85 applications.

We published an Interim Final Rule for the ability-to-pay provision on September 23, 1987. By taking this step, we were able to invite public comment, while at the same time begin to apply the ability-to-pay provision to projects that were ready for a cost sharing agreement. We received 11 comments and expect to publish a Final Rule this summer. To date, 8 projects have had the ability-to-pay analysis applied, and one, Threemile Creek, AL, has been approved for an estimated 18 percent reduction in its non-Federal requirement.

The Inland Waterway Users Board is operational. The Board is composed of 11 members representing diverse regional and commercial interests; 6 members represent commercial users and 5 members represent shippers using inland and intracoastal waterways. The Board has met 4 times so far. In addition to its year-end annual report, it conveyed its recommendations on the FY 89 Budget to me and to the appropriations committees. The Board has asked the Corps to develop a system analysis for investment decisions, and it has a high level of interest in our initiatives to improve timeliness.

Harbor maintenance fees are being collected. Procedures are in place for reimbursement for advance non-Federal construction of authorized Federal harbor projects, and for non-Federal interests to levy port or harbor dues. (Slide 20)

The Office of Environmental Policy has been established in the Directorate of Civil Works, and the initial reports on automatic deauthorization of 555 studies and 359 projects have been submitted to Congress. This is in addition to the more than 300 projects which were deauthorized by specific provisions of the Act itself.
(Slide 21)

Of the approximately 300 projects authorized in the Water Resources Development Act of 1986, Public Law 99-662, 88 have been funded or are proposed for funding for construction in the President's Fiscal Year 1989 budget. An additional 74 projects have been funded or are proposed for funding for preconstruction engineering and design. These project authorizations clearly are vital to the continued health of our program. For example, these projects account for 49 percent of the projects funded for construction in the FY 89 budget and 56 percent of the dollar volume of construction funded in 1989.

NEW INITIATIVES (Slide 22)

Although we have made much progress to date, several more initiatives are required in order to achieve the full potential of the reforms provided by P.L. 99-662.

The first initiative is the main purpose which brings us here today. That is, reestablishment of a two-year cycle of water project authorization bills. We commend the committee for taking this initiative and we look forward to working with you to develop a 1988 authorization bill which is true to the reforms of P.L. 99-662. The principles of cost sharing and user fees are critical to the future of the water resource program and we cannot backslide from these principles. It is also critical to ensure that authorized projects are truly sound investments for the American taxpayer and are within reasonable budget constraints.

We believe this Committee supports the need for a two-year authorization cycle and also supports the view that any authorization bill must be modest and must include projects which are economically sound and environmentally sensitive. The bills we are here to discuss today are headed in the proper direction.

THE ADMINISTRATION'S PROPOSAL (Slide 23)

In order to reestablish the two-year project authorization cycle, to remain true to the reforms of P.L. 99-662, and to be sensitive to budgetary realities, we submitted a modest proposal earlier this year.

Four proposed projects were recommended for authorization: a lock and dam on the Ohio River, near Olmsted, IL, which would replace Locks and Dams 52 and 53; a flood control project at Hazard, KY; a tandem of commercial navigation projects on the Delaware and Schuylkill Rivers in the vicinity of Philadelphia, PA, and Camden, NJ; and a flood control project at Truckee Meadows in the Reno-Sparks, NV, area. Since that proposal was submitted, we have completed our review of two additional projects and recommend them for authorization. They are the flood control project at Scioto River, West Columbus, OH, and the navigation project at Ft. Pierce Harbor, FL. I will briefly describe the major features of these worthy projects, and General Sands will provide you with the details after I have completed my testimony.

The project near Olmsted, IL, consists of new locks and a dam to replace the existing Locks and Dams 52 and 53 on the Ohio River. The estimated total cost of the twin 110- by 1,200-foot lock and dam with a navigable pass is $775 million. The project's benefit to cost ratio is 2.2.

The flood control project at Hazard, KY, includes approximately 6 miles of channel enlargement consisting of sections of clearing and snagging and channel widening with side slopes stabilized by riprap, grass or H-piles with precast concrete wall sections. The estimated total cost of the flood control and environmental mitigation features is $7.4 million. The project's benefit to cost ratio is 1.5.

The navigation project for the Delaware and Schuylkill Rivers,PA and NJ, has two separable elements. The recommended plan for the lower Schuylkill River calls for deepening about 8,000 feet of channel from 33 to 40 feet and providing a turning basin in Philadelphia, PA. The plan for the Delaware River in the vicinity of Camden, NJ, at Beckett Street Terminal provides for deepening about 6,000 feet of channel to 40 feet from 37 feet. The estimated total cost of deepening the channels is $16.9 million,$11.8 million for the Schuylkill element and $5.1 million for the Delaware River element. The Schuylkill project's benefit to cost ratio is 6.3, and the Delaware River project's benefit to cost ratio is 1.6.

The recommended plan for the Truckee Meadows and Reno-Sparks area, NV, would provide at least 100-year flood protection using a combination of levees, floodwalls, channel improvements and an overflow storage area. The estimated total cost of the 5 miles of floodwalls, 7 miles of levees and 900-acre detention basin is $78.4 million. The project's benefit to cost ratio is 1.8.

The flood control project for the Scioto River at West Columbus, OH, includes 3.3 miles of levees and floodwalls, pumping station, and seventeen gated closures. The estimated total project cost is $31.6 million. The project's benefit to cost ratio is 3.4.

The recommended plan for the navigation project at Fort Pierce Harbor, FL, calls for deepening the entrance channel from 27 feet to 30 feet and deepening the interior channel and turning basin from 25 feet to 28 feet. In addition, a 28-foot deep access channel will be provided immediately north of the main turning basin. The estimated total cost of this work is $6.5 million. The project's benefit to cost ratio is 1.8.

In addition to recommending the authorization of 6 new projects, we also propose a modification to the Redwood River, Marshall, MN, flood control project, authorized in P.L. 99-662, to increase the cost of the project beyond the limits permitted by Section 902 of P.L. 99-662. I should note that all these proposals are also included in the Senate bill, S. 2100.
(Slide 24)

Two provisions in our proposal allow for technical clarifications to P.L. 99-662. Section 5 would provide that costs of utility relocations borne by the non-Federal sponsor in harbor development projects be credited toward the sponsor's additional 10 percent cost-sharing requirement. This is also provided in the Senate bill. Section 13 would clarify the language in Section 922 which allows the Corps to provide construction services to states and political subdivisions. The recommended language, we believe, was what was intended in P.L. 99-662, and it too is included in the Senate bill.

Section 6 represents one of our most important proposals. For many years the Congress and the Administration have recognized strong public desires to develop recreation potential at Corps of Engineers water resource projects. In the past, the Corps has responded and currently operates and maintains outstanding recreational areas throughout the country. However, we are clearly unable to meet public demand for more and better recreation facilities. With current and projected future budget constraints, we must find ways to provide more funding to maintain and improve these areas. Based on existing statutes, the Corps is currently prohibited from collecting entrance or admission fees or from collecting fees for use of some campgrounds. The Corps is further required to provide one free campground at each project where camping is permitted. The proposal would eliminate these restrictions and would place the Corps on a comparable basis with other agencies concerning the collection of recreation use fees. It is not our intent to charge the public for entering Corps projects. However, we do believe it is appropriate to establish a charge for use of developed recreation facilities. Pursuant to the bipartisan budget agreement, the Corps will not begin collecting the fees until Fiscal Year 1990.

The President's Commission on Americans Outdoors found that people are willing to pay more for use of recreation facilities on public lands and that most believe that these facilities should be paid for by beneficiaries rather than with taxes. If the legislation is enacted, we will use the anticipated increase in revenue to maintain and improve recreation areas at Corps projects.

This provision is not included in S. 2100. We believe it is vitally important in serving public needs in a fiscally responsible way to include this provision.

(Slide 25)

Section 7 would clarify that the Corps is authorized to continue filling the confined disposal facilities (CDF's) constructed under Section 123 of the River and Harbor Act of 1970 until those facilities are full or until the Government elects to discontinue their use. A question had arisen of whether the limitation of use is a temporal or volumetric one. This proposal has as its purpose a clarification only and will not change the way the Corps has been operating. The provision would also sunset the requirement that the Government fully finance CDF's on the Great Lakes. This sunset provision would result in local sponsors sharing in the cost of construction of disposal areas for maintenance dredging of existing projects in accordance with the cost sharing formulas included in the various project authorizations. New projects will be cost shared in accordance with the provisions of P.L. 99-662. Thus, Great Lakes' projects will be subject to the same cost sharing considerations as projects in other geographic areas. S. 2100 includes the first part of our proposal but does not include the sunset provision.

Section 8 would allow the Corps to transfer funds to another Federal or a non-Federal public agency to intensify wildlife management on lands owned by such agency. This intensified management authority would enhance our ability to choose alternatives for mitigating impacts to fish and wildlife resources attributable to Corps projects. The Corps does not currently have the authority to transfer funds to another agency for this purpose. It is important to understand that the mitigation would be new work for the agencies owning the land and funding for such mitigation would come from Corps of Engineers project funds and not the budgets of the receiving agencies.

Section 9 would authorize a 2-year demonstration program which would allow the Corps to provide technical assistance to private firms competing for foreign contracts. All Corps costs would be paid in advance by such firms. There would also be a requirement that the Corps efforts would not compete with services available in the private sector. We believe such an effort is critical to the US position in the international sector and will provide extensive benefits to the nation and to the Corps in using and enhancing its expertise. The Senate included a modified version of this proposal in S. 2100.
(Slide 26)

Section 10 would allow the Corps to construct, at 100 percent non-Federal cost, two extensions to the Brush Creek and Tributaries, MO and KS, flood control project. This provision would build on the partnership concept and allow economies to be gained by Federal construction at non-Federal cost of project extensions desired by the non-Federal sponsor but not found to be justified under Federal project justification standards. I should note that S. 2100 includes this proposal.

Section 11 would authorize the Corps to construct a replacement laboratory near the Ohio River Division in Cincinnati, OH. The old laboratory is obsolete. Building a new laboratory as proposed exceeds the current construction authorization of the Corps. I should note that S. 2100 includes this proposal.

The Senate also included Section 12 of our proposal. This would allow the Corps to reimburse employees working on the Corps Portuguese and Bucana Rivers project in Puerto Rico for tuition expenses at private English-taught schools near the project. The closest English-taught school provided at Federal expense is more than two hours distant, one way, by school bus.

Most of the provisions of our legislative proposal were included by the Senate in S. 2100. We encourage you to include these provisions, as well as the balance of our proposals, in any bill that you develop.

INTERNAL INITIATIVES (Slide 27)

As a follow on to implementation of P.L. 99-662, we are implementing various internal initiatives which will build on and extend the reforms Congress provided in that Act. These changes to our internal mechanisms are long overdue and will allow us to be more responsive to non-Federal sponsors' needs and to develop projects in a more efficient and cost conscious manner.

We have four major internal changes that we expect to have implemented in the coming months:

We will expand the scope of feasibility studies to include more definitive cost estimates and project implementation schedules. This would allow the non-Federal sponsor to proceed with its implementation responsibilities, especially the arrangement of financing.

We will accelerate the process of planning, designing, and constructing projects by giving district engineers clear policy guidance early in the study process so that once a report is completed by the district engineer, there will be a high degree of assurance that the recommendation will be supported within the Administration. Higher level reviews will be consolidated into a several month rather than several year time frame and budget formulation processes will be revised to reduce or eliminate the lag time between the planning, design, and construction phases. We expect that the time from initiation of planning to project completion can be cut from the historic 20 plus years down to 10 years. The benefits to everyone are obvious.

We are instituting a project manager system to identify one person who is responsible for the project from cradle to grave. In this way, all the features and phases of a project can be integrated for better economy and efficiency.

We are providing a positive system of controls on costs and schedules to ensure that the Federal Government and the non-Federal sponsor get what they want, when they want it, and within budget.
(Slide 28)

One additional important initiative involves making better use of Corps capabilities to enhance engineering and construction quality through research and development. Based on my private sector experience and my service on the President's Export Council, I believe United States investment in engineering and construction research and development is seriously deficient. This adversely affects our capabilities at home and in international competitiveness. We envision a cost-shared program with private industry and have reprogrammed $300,000 of our 1988 research and development program to determine the feasibility of this effort. If our initial efforts are successful, we would anticipate advising this Committee and Congress at a later date of our plans to continue within the General Investigations resources proposed in the FY 89 budget.

PROPOSED LEGISLATION (Slide 29)

At this point, Mr. Chairman, I would like to comment on S 2100, the bill passed in April by the Senate.

I am submitting for the Committee's use a detailed statement of the Army's position on the provisions in S. 2100. Rather than go into detail here, I will summarize the major points.

Projects - The bill would authorize sixteen Corps of Engineers projects. Six of these projects have been favorably reviewed by the Administration. They are the projects that I mentioned earlier: Olmsted Locks and Dam, IL, Hazard, KY, Delaware and Schuylkill Rivers, PA and NJ, Truckee Meadows, NV, West Columbus, OH, and Ft. Pierce Harbor, FL. Two projects, the Wolf and Jordan Rivers, MS, and the Chicagoland Underflow, IL, are not recommended for authorization. We also oppose the remaining projects because the Administration has not completed its review. To authorize them at this time could unduly raise expectations of project sponsors and beneficiaries.

We are opposed to the Wolf and Jordan and Chicagoland Underflow projects. The Wolf and Jordan project is essentially a non-Federal action, where cost can be recovered by non-Federal interest through access fees and the sale or lease of improvements. The Chicagoland Underflow project is not a flood control project, but rather is an urban storm drainage project, a traditional non-Federal responsibility.

Cost Controls and Management Improvements - The bill contains a number of provisions that control costs, encourage innovation or are intended to increase the efficiency and productivity in Corps programs. Several of these provisions are also contained in the Army's bill. We generally support these provisions.

Special Provisions - There are several provisions that are special interest in nature, more appropriately the responsibility of non-Federal interests, or that require additional justification. Most notable among these is the Missouri River Streambank erosion control project. We are opposed to this proposal.

Recreation User Fees - We are very concerned with the Senate's decision not to include the Army's proposal for increased recreation user fees. Enactment of this proposal would place the Army Corps of Engineer user fees on a comparable basis with other agencies, provide necessary funds to meet the public demand for more and better facilities, and equitably assign part of the cost of developing and maintaining these facilities to those who directly benefit from them.

In summary, S. 2100 represents an important step in moving the Nation's water program forward. The bill contains a number of important projects and provisions that can serve as a basis for a supportable bill. However, the bill also contains several highly objectionable provisions and does not include our recreation user fee proposal. Failure to address these provisions would make the bill difficult to fully support. We pledge our support in working with you and the Senate to develop a supportable bill and are optimistic of a successful effort.

CONCLUSION (Slide 30)

In conclusion Mr. Chairman and Members of the Committee, we commend you for your leadership in forging a reasonable, economic and environmentally sensitive water resources program through the Water Resources Development Act of 1986. The water resources program of this country was broken and your leadership in adopting P.L. 99-662 set a firm foundation for repair. We applaud your efforts to reestablish the two year authorization cycle and urge you to consider legislation for 1988 which is true to the reforms established in P.L. 99-662. For our part, we have worked hard to implement the spirit and the letter of P.L. 99-662, we look forward to working with you toward this critical 1988 authorization bill, and we are moving out on our own with various initiatives to provide the people of this country with a vital, cost effective, and timely water resources program in partnership with our non-Federal project sponsors.

The opportunities for responsible legislation this year are there, and we pledge to work with you to see the promises fulfilled.

Before I ask General Sands to provide the information you requested in your letter of invitation, I must reiterate that we oppose authorization of Wolf and Jordan Rivers, Chicagoland Underflow, and other projects for which the Administration position is not established. We hope to complete our review of most of these projects in the near future and will keep you informed.

Thank you for this opportunity to appear before you. I would be happy to answer any questions that you have before General Sands begins.

June 16, 1988

ARMY POSITION ON PROVISIONS OF S. 2100
(as passed by the Senate)

Sec. 2 - Table of Contents

Sec. 3 - "Secretary" defined as Secretary of the Army.

Position: Support. This definition is the same as contained in Army's proposed legislation and is consistent with the Water Resources Development Act of 1986 (WRDA)

TITLE I - PROJECT AUTHORIZATIONS

Sec. 101 - Project Authorizations.

Position: Position varies from project to project. Army supports only those projects currently contained in its legislative proposal or that have been favorably reviewed since development of the legislative proposal. Of the sixteen projects in this section, four are contained in the initial Army proposal:

Lower Ohio River navigation, Locks and Dams 52 and 53, IL & KY
Hazard, KY
Delaware River, Philadelphia to Wilmington, PA & DE
Truckee Meadows, NV

The above projects also are contained ~~in S.~~2100 and are presumed to be identical authorizations. We note, however, that the cost estimates for the Delaware River project are somewhat higher in S. 2100 than in the Army bill. Assuming that the difference is attributable to differing price levels for this project, Army supports authorization of these projects, provided that the cost sharing provisions of P.L. 99-662 apply.

In addition to the four projects discussed above, the following project reports have been favorably reviewed by the Executive Branch. Army supports authorization of these projects, provided the cost sharing provisions of P.L. 99-662 apply.

Scioto River, West Colombus, OH
Fort Pierce Harbor, FL

We oppose projects for the Wolf and Jordan Rivers, MS, and the Chicagoland Underflow Plan, IL. The Wolf and Jordan Rivers project is opposed because it is similar to a slackwater harbor project and that costs could be recovered by non-Federal interests through access fees and sale and/or lease of improvements. The Chicagoland project is opposed, because it is essentially an urban drainage project which is not a traditional Federal responsibility.

Sec. 102 - Maximum Cost of Projects.

Position: Army supports the application of Section 902-type project cost ceilings to new project authorizations.

Sec. 103 - Project Deauthorizations

Position: Army supports the application of section 1001-type automatic project deauthorizations to newly authorized projects.

TITLE II - GENERAL PROVISIONS

Sec. 201 - Utility Relocations for Harbor Projects.

Position: Army supports this clarification of Congressional intent regarding the crediting of project sponsors' utility relocation costs toward reimbursements. This provision is contained in Army's legislative proposal.

Sec. 202 - Three Affiliated Tribes Land Transfer.

Position: Oppose unless modified. Subsection (5) provides for a gratuitous transfer of the subject lands. Section 1125 of P.L. 99-662 authorized the exchange of certain lands held by the U.S. for tribal tracts needed for the operation and maintenance of the Garrison project. When the U.S. acquired from the Tribes the lands now proposed to be returned, the Tribes were compensated based on the fair market value of the land. The lands authorized in P.L. 99-662 to be transferred to the U.S. are considered to be of low value. We believe the exchange as proposed in P.L. 99-662 is a fair one and are opposed to a gratuitous transfer of these lands as proposed in this section. Army supports the corrections to the legal description in section 1125 in P.L. 99-662 that are contained in subsections (2) and (3). Subsection (6) is ambiguous and should be deleted.

Sec. 203 - Federal Project Repayment District.

Position: No objection.

Sec. 204 - Applying Flood Plain Regulation Requirements to Shoreline Protection Projects.

Position: Army supports this provision. Requiring non-Federal project sponsors to comply with Federal flood plain management and flood insurance programs for proposed shoreline protection projects should help discourage unsound development along the shoreline.

Sec. 205 - Innovative Technology.

Position: No objection. However, we do not believe that this provision is necessary to get the Corps to promote innovation. Most, if not all, of the activities that this provision encourages the Corps to do are already either an integral part of Corps processes or are actively being addressed under current initiatives.

Sec. 206 - Reporting Costs to Non-Federal Project Sponsors.

Position: No objection. However, this can be done without additional legislation.

Sec. 207 - Support to U.S. firms competing outside the U.S.

Position: Army supports this basic provision. It was contained in Army's legislative proposal. However, Army objects to the deletion of the requirement for the Secretary's co-certification that such support is not available in the private sector. Co-certification is necessary to ensure that the Army is not competing against private firms to do the work.

Sec. 208 - Brush Creek and Tributaries project extensions.

Position: Army supports this provision. It was contained in Army's legislative proposal.

Sec. 209 - Ohio River Division laboratory replacement.

Position: Army supports this provision. It was contained in Army's legislative proposal.

Sec. 210 - Education expenses to Corps employees in Puerto Rico.

Position: Army supports this provision. It was contained in Army's legislative proposal.

Sec. 211 - **Work for others technical provision.**

Position: Army supports this provision. It was contained in Army's legislative proposal.

Sec. 212 - King Harbor, Redondo Beach cost sharing clarification.

Position: No objection. This provision makes cost sharing requirements consistent with the WRDA.

Sec. 213 - Placement of dredged material on beaches.

Position: No objection. This provision encourages flexibility and cooperation in working with potential non-Federal sponsors associated with Federal navigation projects and potential beach nourishment. This provision will not adversely affect the Corps's design, construction or contracting procedures.

Sec. 214 - Alternatives to the Mud Dump disposal area.

Position: Defer to the Environmental Protection Agency. Army is concerned, however, with this section and the basic "Mud Dump" provision that it would amend. There is no technical or economic justification for discontinuing use of the existing site as a dredged material disposal area.

Sec. 215 - Libby Dam project purposes.

Position: Oppose unless modified. Authorization of recreation and fish and wildlife enhancement as project purposes is unnecessary and is generally sufficiently covered under existing law. The provision should be modified to authorize a study of existing conditions and uses with a view toward determining whether specific project changes are warranted. Study should be cost shared.

Sec. 216 - Missouri River streambank erosion.

Position: Oppose. This provision could lead to Corps of Engineers involvement in nationwide erosion control. There has been no Corps of Engineers report to determine the feasibility of implementing erosion control measures. Furthermore, the cost sharing criteria of the WRDA are not applied. We note that section 603 of the WRDA authorized Army to undertake streambank erosion control projects for several river segments, including most of the Missouri River covered by this provision; provided that the work is economically justified and environmentally acceptable and that local beneficiaries pay 25% of costs.

Sec. 217 - Redwood River, Marshall, MN, cost ceiling.

Position: Army supports this provision, it was contained in Army's legislative proposal.

Sec. 218 - Separability.

Position: No objection.

Sec. 219 - Indiana Shoreline protection project.

Position: No objection. This provision is not necessary, however, since the original project authorization in the WRDA is being administratively interpreted as being subject to the cost sharing provisions of the WRDA.

Sec. 220 - Confined disposal facilities.

Position: Support. This provision was contained in Army's legislative proposal; however, Army's proposal also contained a provision to terminate the basic authority for new facilities on the date of enactment. This section should be modified to include that termination provision which would put the Great Lakes on the same decision basis as the rest of the Country.

Sec. 221 - Project modifications for environmental quality.

Position: No objection.

Sec. 222 - Gravesend Bay non-navigability.

Position: No objection.

TITLE III - PROGRAMS AND STUDIED

Sec. 301 - New York Harbor Drift Removal Cost Ceiling Increase.

Position: Oppose. This is a non-traditional navigation project that should be accomplished by local interests. We have budgeted for this activity in the past only in expectation that once the $30.5 million ceiling was reached, the project would cease.

Sec. 302 - Red River Basin Technical Resource Service.

Position: Army opposes this provision. This duplicates existing authorities for flood plain management services and planning assistance to states, which are sufficient. Creating special authority in this case could encourage other states to seek similar legislation. We know of no justification for such additional authority.

Sec. 303 - Water Quality Effects of Hydroelectric Facilities.

Position: Defer to EPA, which objects to this provision because it duplicates a study which EPA has just completed and in which the Corps participated.

Sec. 304 - Review of Corps of Engineers management and administration.

Position: No objection, but this provision is not necessary. The Army already has sufficient authority to conduct internal review of its programs. The ongoing internal initiatives discussed in Army's testimony of June 16, 1988, to the House Committee on Public Works and Transportation and of March 16, 1988, to the Senate Committee on Environment and Public Works summarizes these initiatives.

Sec. 305 - Wetlands research and restoration.

Position: Army opposes. Existing reasearch programs are sufficient.

Sec. 306 - Hudson River Basin management and planning service.

Position: Army opposes. This duplicates existing authorities for flood plain management services and planning assistance to states, which are sufficient. Creating special authority in this case would circumvent existing established authorities and could encourage other states to seek similar legislation. We know of no justification for such additional authority.

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, DC 20310-0103

8 AUG 1988

Honorable Arlan Stangeland
House of Representatives
Washington, D. C. 20515-2307

Dear Congressman Stangeland:

This is in response to your recent letter with questions to be answered for inclusion in the record of the June 16 hearing.

The answers to the questions that you submitted are attached. In accordance with your request, we are providing Mr. Italiano with a copy of the attachment for the hearing record.

I appreciated the opportunity to appear before you. I believe that the opportunities for responsible legislation this year are still there, and I again pledge to work with you to see the promises fulfilled.

Sincerely,

Robert W. Page
Assistant Secretary of the Army
(Civil Works)

Attachment

SASG
CF: Mr. Joseph A. Italiano Editor
Committee on Public Works and Transportation

Mitigation, Environmental Enhancement

Question: What is the impact of the intensified wildlife mitigation provision in the Corps' bill?

Answer: This provision would take advantage of opportunities to improve wildlife habitat on other Federal and *non-Federal agency lands for mitigation purposes*; thus, minimizing the amount of private land to be purchased.

Question: How would the provision change the Corps' planning and advance mitigation procedures?

Answer: It would not change mitigation planning procedures for plans going to Congress for authorization. However, it would improve mitigation planning for authorized projects not yet implemented, completed projects, and projects included in our Continuing Authority program. Improvement would result from the opportunity to seriously consider and evaluate a full range of mitigation options, including the management of other public lands, and to select from these options the most cost-effective measures that meet established mitigation objectives. Such consideration is also required for evaluating the need for advance mitigation and its location as provided for in Section 906(a) of the Water Resources Development Act of 1986.

Question: Once an intensified mitigation agreement is made with another agency, what assurance is there that the other agency would perform the mitigation currently required by the Corps?

Answer: Before funds are transferred to the participating agency, an agreement or contract will be developed that clearly sets forth work and activities to be performed with the funds provided. The work and activities performed on another agency's land will be consistent with a mitigation plan that has been fully coordinated with appropriate agencies and approved by the Secretary of the Army. We will monitor the implementation of mitigation measures performed on another agency's lands as part of our annual inspection of the project responsible for funding the mitigation plan. This monitoring program will be conducted in close coordination with Federal and State resources agencies, and be consistent with current practices involving mitigation performed on Corps (project) lands.

Question: What is the Corps doing to implement Section 1135 of the 1986 Act, which authorizes the Corps to modify existing projects so as to improve the environment? The Senate bill extends the two year demonstration program for another three years. Does the Corps have plans to implement this program in the near future?

Answer: To date, we have not implemented the provisions of Section 1135, and we have no plans for implementing this section in the near future. Current budgetary constraints and priorities preclude funding this program at this time.

Section 103(m) Ability to Pay

Question: Please update the Committee on the implementation of the 1986 Act's section 103(m) provisions (relating to ability to pay). Section 103(m) directs the Secretary of the Army to reduce the non-Federal share of flood control and agricultural water supply projects under an "ability to pay" determination. What is the status of the interim final rule and the eligibility formula published in September 1987? When will the Corps address agricultural water supply projects?

Answer: By publishing an interim final rule in September, we could proceed with application of the ability to pay test and subsequently with project construction, while at the same time receive public comments. Since publication, we have agreements to start construction signed or in the final review stages on 12 authorized projects. All of these projects were subject to the interim final rule and in one case, the non-Federal share was reduced as a result of the application of the test.

Eleven comments were received during the comment period, and all of these comments will be addressed when the final rule is published. We do not anticipate major changes in the final rule, which we expect to publish by the fall. In the meantime, the Department of Commerce has published more recent income information on counties and states. The new numbers, and the revised formula that results from these numbers will be used in future ability to pay evaluations.

We concentrated our efforts on implementation for flood control projects because we had no pending cost sharing agreements involving agricultural water supply. While we have been considering the issues that might be involved for agricultural water supply, we do not expect to have anything ready for publication until the final rule for flood control is published.

Flood Control and Flood Plain Management

Question: Could you comment on Section 204 of S. 2100, the Senate bill? The 1986 Act requires non-Federal sponsors of Corps' flood control projects to agree to comply with and participate in applicable flood plain management and flood insurance programs prior to project construction. The Senate's provision extends the requirement to shoreline erosion protection projects. Could you comment on the need for and impact of the extension to shoreline protection project?

Answer: Currently there are no Federal constraints, other than those required under the National Flood Insurance Program, on development in hazardous coastal areas above the high water line. Section 204 would require shoreline erosion project sponsors that are not already in the flood insurance program to participate and comply with requirements designed to reduce potential flood losses to future development in the hazardous areas. This would result in fewer flood losses as well as making flood insurance available to existing development in those areas.

Question: Traditionally, the Corps has required an 800 cubic foot per second (cfs) flood control frequency to participate in urban and rural flood damage prevention projects. Section 914 of the 1986 Act authorized the Secretary to consider such work without regard to the frequency of flooding, drainage area, and amount of runoff. Could you comment on the Corps implementation of Section 914? Has the provision resulted in more urban flood damage prevention projects?

Answer: The wording of Section 914 permits the Secretary of the Army to deviate from the policy for separating urban drainage and flood control that has been in effect for about 10 years. The Section applies to projects with Federal costs of less than $3,000,000. We, of course, have considered and made numerous refinements to the policy to avoid exclusion of what could be considered to be flood control problems within the traditional activities of the Corps of Engineers. We take the provision, however, to be an expression of concern on the part of the Congress about this matter and commissioned a study to review our 10 years of experience with this policy to determine what activities have been precluded by this policy as well as other impacts that may be relevant to our consideration of potential revisions or further refinements. The study has been completed and we are now reviewing the results to determine whether modification to the policy is desirable. In the interim, we plan to follow our existing policy.

The 800 cfs criterion has not been applicable to rural flood control; however, we have required that rural flood control channels represent major outlets rather than on-farm and collector drains.

Honorable Jim Lightfoot

Questions for the Record

Lake Red Rock Land Acquisition

Question: The Rock Island District office currently is beginning negotiations to purchase land from owners of government easement land surrounding Lake Red Rock, Iowa, that is being flooded more often than originally predicted. For this purpose Congress has appropriated $2,000,000 in Fiscal Year (FY) 1988, and more funds area likely to be approved in FY 1989.

A widespread concern raised by my constituents who own land in this area is how they will be ensured a fair price for their land. Many of these landowners have suffered extensive damages from lost crops, damage to fences, and post-flood debris cleanup. Moreover, the land will never bring its original value on the market because of the flooding that occurs as a result of lake operations.

Of course, the law states that only those who are willing must sell their land, but the bottom line is that we should be fair to everyone who does wish to sell because of a situation that is beyond their control.

Please share with the committee how you plan to adequately address all the costs that have been incurred by affected landowners in carrying out the buy-out plan.

Answer: In acquiring the existing flowage easements, the Corps of Engineers relied upon the appraiser's estimate for a determination of just compensation. The appraiser estimated the land's value free of a flowage easement and then estimated its value after it is encumbered by the flowage easement. In making the estimate of "after" value, the appraiser considered a number of factors, including the flood frequency and duration, increased fence maintenance costs, access difficulties, and loss of net income and efficiency. The difference in the two appraisals was the measure of just compensation and was used in the negotiations for the acquisition of the flowage easements. This procedure was and is proper and consistent with pertinent laws and regulations.

The Corps of Engineers is in the process of implementing Public Law 99-190, which authorized the purchase of the Red Rock flowage easement lands from willing sellers. The Government already owns an interest in these lands as a result of the flowage easements purchased for the project. The Corps will be offering to purchase the owner's remaining interest in the land, thereby acquiring the full fee simple title.

Offers will be based upon appraisals made of the land and will take into consideration the Government's present right to flood the land. The appraiser (an appraisal firm located near the lands to be purchased under contract with the Government) will interview the owners, inspect the properties, and will carefully study topographic maps and flood frequency charts. Also, the appraiser will search the records and interview knowledgeable persons for recent sales of properties similar to the property under appraisal. The appraiser will then arrive at a sound estimate of fair market value. The Government will use this information to enter into negotiations with the owner.

Cost-Sharing Exemptions

Question: Since the enactment of P.L. 99-662, has the Corps granted any exemptions from cost-sharing requirements?

Answer: There have been no exemptions granted to the cost-sharing requirements of P.L. 99-662.

SA8070107 CT

ARLAN STANGELAND
7TH DISTRICT, MINNESOTA

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June 17, 1988

Honorable Robert W. Page
Department of the Army
Office of the Assistant Secretary
Washington, D.C. 20310-0103

Dear Bob:

Thank you for your helpful testimony during yesterday's hearing on implementation of the 1986 Act and the Administration's proposed legislation for 1988.

In the course of our hearing, we were not able to ask several questions due to time constraints. Please answer the attached questions at your earliest convenience and submit a copy to Joseph A. Italiano, Editor of the House Public Works and Transportation Committee, for inclusion in the hearing record.

Your continued cooperation is greatly appreciated.

With warmest personal regards, I am

Sincerely,

Arlan

Arlan Stangeland
Member of Congress

Attachment

Mitigation, Environmental Enhancement

What is the impact of the intensified wildlife mitigation provision in the Corps' bill? How would the provision change the Corps' planning and advance mitigation procedures? Once an intensified mitigation agreement is made with another agency, what assurance is there that the other agency would perform the mitigation currently required by the Corps?

What is the Corps doing to implement section 1135 of the 1986 Act, which authorizes the Corps to modify existing projects so as to improve the environment? The Senate bill extends the two year demonstration program for another three years. Does the Corps have plans to implement this program in the near future?

Section 103(m) Ability to Pay

Please update the Committee on the implementation of the 1986 Act's section 103(m) provisions (relating to ability to pay). Section 103(m) directs the Secretary of the Army to reduce the nonFederal share of flood control and agricultural water supply projects under an "ability to pay" determination. What is the status of the interim final rule and the eligibility formula published in September 1987? When will the Corps address agricultural water supply projects?

Flood Control and Flood Plain Management

Could you commend on section 402 of the 1986 Act and Section 204 of S. 2100, the Senate bill? The 1986 Act requires nonFederal sponsors of Corps' flood control projects to agree to comply with and participate in applicable flood plain management and flood insurance programs prior to project construction. The Senate's provision extends the requirement to shoreline erosion protection projects. Could you comment on the need for and impact of the extension to shoreline erosion projects?

Traditionally, the Corps has required an 800 cubic foot per second (cfs) flood control frequency to participate in urban and rural flood damage prevention projects. Section 914 of the 1986 Act authorized the Secretary to consider such work without regard to the frequency of flooding, drainage area, and amount of runoff. Could you comment on the Corps' implementation of Section 914? Has the provision resulted in more urban flood damage prevention projects?

QUESTIONS FOR THE RECORD

SUBCOMMITTEE ON WATER RESOURCES HEARING ON WATER RESOURCES DEVELOPMENT

REP. JIM LIGHTFOOT

JUNE 16, 1988

1) The Rock Island District office currently is beginning negotiations to purchase land from owners of government easement land surrounding Lake Red Rock, Iowa, that is being flooded more often than originally predicted. For this purpose Congress has appropriated $2,000,000 in Fiscal Year (FY) 1988, and more funds are likley to be approved in FY 1989.

A widespread concern raised by my constituents who own land in this area is how they will be ensured a fair price for their land. Many of these landowners have suffered extensive damages from lost crops, damage to fences, and post-flood debris cleanup. Moreover, the land will never bring its original value on the market because of the flooding that occurs as a result of lake operations.

Of course, the law states that only those who are willing must sell their land, but the bottom line is that we should be fair to everyone who does wish to sell because of a situation that is beyond their control.

Please share with the committee how you plan to adequately address all the costs that have been incurred by affected landowners in carrying out the buy-out plan.

2) Since the enactment of P.L. 99-662, has the Corps granted any exemptions from cost-sharing requirements?

If so, for what projects and for what reason?

ADDITION TO THE RECORD

Statement of
The Associated General Contractors of America
Presented to the
Subcommittee on Water Resources
of the
Committee on Public Works and Transportation
U.S. House of Representatives
on the Subject of
Water Resources Authorization Legislation
June 29, 1988

AGC is:

- More than 32,500 firms including 8,000 of America's leading general contracting firms responsible for the employment of 3,500,000-plus employees;
- 104 chapters nationwide;
- More than 80% of America's contract construction of commercial buildings, highways, industrial and municipal-utilities facilities.

The Associated General Contractors of America represents more than 32,500 firms including 8,000 of America's leading construction companies. These general contractors employ more than 3,500,000 workers, and perform more than 80% of America's contract construction of commercial buildings, highways, industrial and municipal-utilities facilities.

The Associated General Contractors of America endorses prompt action on water resources development authorization legislation that Congress is now considering. Favorable action on water resources legislation is necessary this year in order to prevent the contention and controversy which accompanied the enactment of the Water Resources Development Act of 1986. The obstacles to enactment of this latter legislation were created, in large part, due to the low priority of not acting on water resources bills on a regular basis. This resulted in suspicion and skepticism over the evermounting cost of a new water bill created by the need for more water projects.

Federal water programs have enhanced entire multi-state regions by providing flood protection, water transportation and recreational opportunities. Historically, irrigation and hydropower projects have stimulated the regional economies, by providing incentives for business and agricultural capital investment.

National security is another crucial, though infrequently-mentioned, aspect of the nation's water resources. Navigable channels, electricity for production and adequate supplies of water are vital to the country's defense.

In the early 1800's, this nation's forward-thinking leadership recognized the necessity for taming uncontrolled river basins, which periodically threatened life and property, into useful and productive systems essential to manufacturing activity and economic growth. The nation has benefited. So have the states. The system has worked because federal leadership and coordination have made it work.

While the legislative proposals which are now being considered will do little to ease the current drought conditions which exist in many parts of the nation, it is incumbent on Congress to act now to approve additional projects which will ease the adverse impact of future droughts when they occur.

The sixteen year hiatus in acting on an omnibus water resources bill is, without a doubt, adding to the severity of the drought from which the nation currently suffers. Projects that could have been authorized and constructed during that period of time could now be making a highly valued contribution toward easing the severe problems created by lack of water for irrigation, navigation and commercial and industrial use. That inaction underscores why action needs to be taken by Congress now.

Prompt action by Congress on this legislation will reaffirm the needed Congressional leadership in the area of water resources and will restore order and deliberateness in the consideration process for water resources bills. AGC commends Congress for taking the initial step toward bienniel consideration of water resources legislation.

AGC also commends Congress on the fact that the proposals now under consideration do not attempt to undo the general policy on water resources issues which were established in the 1986 Act, but merely refines that general policy.

AGC believes Section 205 of S. 2100 and H.R. 4613 does not belong in authorizing legislation for water projects. Section 205, which provides for use of procurement and contracting procedures that encourage innovative project design, construction and rehabilitation, involves itself directly with a procurement issue. Procurement issues and the ability of the federal government to make the most cost effective purchases were addressed by the Competition in Contracting Act of 1984 (CICA). AGC questions the need for water resources authorizing legislation to address procurement issues which were so recently addressed in CICA. AGC respectfully encourages the Subcommittee to delete this section from both S. 2100 and H.R. 4613.

AGC, once again, urges Congress' prompt action on much needed water resources legislation.

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